

SUBJECT: Delegation of Authority – Contracts awarded for the period July 1, 2022 to December 31, 2022 for Transit Commission

File Number ACS2023-FCS-PRO-0003

Report to Transit Commission on 29 June 2023

and Council 12 July 2023

**Submitted on June 20, 2023 by Will McDonald, Chief Procurement Officer,
Finance and Corporate Services Department**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE

OBJET : Délégation de pouvoir – Contrats accordés pour la période du 1er juillet au 31 décembre 2022 pour la Commission du transport en commun

Dossier : ACS2023-FCS-PRO-0003

Rapport au Commission du transport en commun

le 29 juin 2023

et au Conseil le 12 juillet 2023

**Soumis le 20 juin par Will McDonald, Chef de l'approvisionnement,
Service approvisionnement, Direction générale des finances et des services organisationnels**

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Quartier : CITY WIDE / À L'ÉCHELLE DE LA VILLE

REPORT RECOMMENDATION

That the Transit Commission and Council receive this report for information.

RECOMMANDATION DU RAPPORT

Que la Commission du transport en commun et le Conseil municipal prennent connaissance du présent rapport.

BACKGROUND

The Procurement By-law requires the Chief Procurement Officer to submit to Council an information report semi-annually containing the details relevant to the exercise of delegated authority for all contracts awarded by Directors exceeding \$25,000. However, the Transit Commission Terms of Reference direct staff to report to the Transit Commission on OC Transpo's delegated authority. Therefore, the delegated authority information contained in this report and in Document 1 relate only to OC Transpo.

Document 1 of this report provides a detailed listing of all contracts awarded under Delegated Authority exceeding \$25,000 for the period of July 1, 2022 to December 31, 2022 relating to OC Transpo, and identify the contract category, the professional and consulting services outsourcing reason, and the non-competitive exception where appropriate.

DISCUSSION

Section 1: Summary of OC Transpo contracts \geq \$25,000

Document 1 identifies all competitive and non-competitive purchases. The non-competitive purchases references the appropriate subsection of Article 22(1) of the Procurement By-law.

Supply Services certifies that all contracts centrally awarded under delegation of authority for the period of July 1, 2022 to December 31, 2022 are in compliance with the Procurement By-law.

Highlights and Summary of OC Transpo Contracts \geq \$25,000

Table 1 - 2022 Contracts by Period

| Quarter | Total Contracts | Total Value |
|--------------|-----------------|---------------------|
| Q1 - Q2 2022 | 102 | \$35,872,803 |
| Q3 - Q4 2022 | 70 | \$60,569,367 |
| Total | 172 | \$96,442,170 |

Table 2 – Q3 and Q4 2022 Contracts by Service Area

| Service Area | Total Contracts | Total Value |
|--|-----------------|---------------------|
| Transit Service Delivery & Rail Ops | 2 | \$1,052,333 |
| Safety, Regulatory, Training and Development | 2 | \$116,580 |
| Transit Customer Systems & Planning | 25 | \$18,384,040 |
| Transit Bus Operations & Maintenance Service | 36 | \$40,699,022 |
| Transit Strat Comm and External Relations | 5 | \$317,392 |
| Total | 70 | \$60,569,367 |

Table 3 – Q1 to Q4 2022 Contracts by Service Area

| Service Area | Total Contracts | Total Value |
|--|-----------------|---------------------|
| Transit Service Delivery & Rail Ops | 5 | \$1,285,408 |
| Safety, Regulatory, Training and Development | 3 | \$422,955 |
| Transit Customer Systems & Planning | 54 | \$25,589,706 |
| Transit Bus Operations & Maintenance Service | 104 | \$68,770,609 |
| Transit Strat Comm and External Relations | 5 | \$317,392 |
| None | 1 | \$56,100 |
| Total | 172 | \$96,442,170 |

Table 4 – Q1 to Q4 2022 Professional and Consulting Services for OC Transpo

| Service Type | Total Contracts | Total Value |
|-----------------------|-----------------|--------------------|
| Professional Services | 61 | \$9,926,027 |
| Consulting Services | 0 | \$0 |
| Total | 61 | \$9,926,027 |

The contracts awarded for the period of July 1, 2022 to December 31, 2022 are listed in Document 1.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

LEGAL IMPLICATIONS

There are no legal impediments to receiving this report for information.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a City-wide report. There are no comments by ward councillors.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments or recommendations required by an Advisory Committee for this report.

CONSULTATION

There is no public consultation required for this report.

ACCESSIBILITY IMPACTS

The corporation continues to ensure that City purchases include accessible design, criteria and features as prescribed by section 5 of the Integrated Accessibility Standards Regulations of the *Accessibility for Ontarians with Disabilities Act, 2005*, S.O. 2005, c. 11, and federal legislation, where applicable.

DELEGATION OF AUTHORITY IMPLICATIONS

The Procurement By-law requires the Chief Procurement Officer to submit to Council an information report semi-annually containing the details relevant to the exercise of delegated authority for all contracts awarded by Directors exceeding \$25,000. Transit Commission Terms of Reference direct staff to report to the Transit Commission on OC Transpo's delegated authority. Transit Service's Delegation of Authority is set out in the Delegation of Authority By-law, under Schedule "G".

TERM OF COUNCIL PRIORITIES

This report supports the Term of Council Priorities of Economic Growth & Diversification, Service Excellence through Innovation and Environmental Stewardship.

SUPPORTING DOCUMENTATION

Document 1 – Transit Contracts awarded under delegated authority for the period July 1, 2022 to December 31, 2022

Attachments to this report are in English. The City of Ottawa may translate these attachments or parts thereof on request. Requests should be forwarded to joanneh.graham@ottawa.ca.

Les pièces jointes du rapport sont en anglais. La Ville d'Ottawa pourra, sur demande, les traduire au complet ou en partie. Les demandes doivent être soumises à : joanneh.graham@ottawa.ca.

DISPOSITION

Report forwarded for information pursuant to the Procurement By-law.

Appendix A – Terminology

Where appropriate, staff used the following definitions as outlined in the Procurement By-law to identify the contract category, the professional and consulting services outsourcing reason and the non-competitive exception.

Professional Services

Professional Services means services requiring the skills of professionals for a defined service requirement or for a specific project related deliverable including, but not limited to, the areas of engineering, architecture, design, planning, information technology, financial auditing and fairness commissioners.

Consulting Services

Consulting Services means assistance to management including, but not limited to, the areas of strategic analysis, organizational design, change management, policy development, feasibility studies and other services intended to assist decision making within the organization.

Amendment

An amendment is an increase in the scope of an approved contract, which is unanticipated.

Follow-on Contract

A Follow-on Contract differs from an amendment in that the original contract or bid solicitation document recognizes the fact that it is likely that the initial defined contract scope may be expanded to include a number of related phases that are either included in the tender document or are customary in relation to the work assignment. Rates charged for the Follow-on Contract are reviewed by Supply Services and must be based on those rates proposed by the service provider in the original competitive bid.

Extension

An extension to a contract is not categorized as an amendment or a Follow-on Contract. An extension is a contract term allowing the City to continue purchasing the good or service for an extended period of time where the option to extend the contract was outlined in the bid document or is deemed to be in the best interest of the City.

Extension (As per Section 32(2))

Where a contract contains no option for renewal, Supply Services has delegated authority under the Procurement By-law to extend the contract for a period of time no greater than two years from the date of the expiration provided that:

1. Supply Services and the Director/General Manager agree that based on market conditions or an analysis of future conditions, cost savings or cost avoidance can be obtained by an extension; and

2. The supplier's performance and vendor relations with the supplier have both exceeded the requirements of the Contract.

Non-Competitive Purchases

22(1) The requirement for competitive bid solicitation for goods, services and construction may be waived under joint authority of the appropriate Director/General Manager and Supply Services and replaced with negotiations under the following circumstances:

- a) Where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets, or controls of raw material
- b) Where due to abnormal market conditions, the goods, services, or construction required are in short supply
- c) Where only one source of supply would be acceptable and cost effective
- d) Where there is an absence of competition for technical or other reasons and the goods, services or construction can only be supplied by a particular supplier and no alternative exists
- e) Where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters
- f) Where in the event of a "Special Circumstance" as defined by this By-law, a requirement exists
- g) Where the possibility of a follow-on contract was identified in the original bid solicitation

- h) Where the total estimated project cost for professional services does not exceed \$50,000
- i) Where the requirement is for a utility for which there exists a monopoly
- j) Where additional deliveries by the original supplier of goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services:
 - (i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and
 - (ii) would cause significant inconvenience or substantial duplication of costs
- k) For goods and services, where the supplier is a social enterprise owned by a non-profit organization or registered charity.