

**SUBJECT: DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE PERIOD JANUARY 1, 2021 to DECEMBER 31, 2021 FOR TRANSIT COMMISSION**

**File Number ACS2022-ICS-PRO-0002**

**Report to Transit Commission on 15 June 2022**

**and Council 22 June 2022**

**Submitted on June 6, 2022 by Joanne Graham, Chief Procurement Officer (A), Supply Services, Innovative Client Services Department**

**Contact Person: Sanna D'Ornellas, Manager, Procurement (A), Supply Services, Innovative Client Services Department**

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

**OBJET : DÉLÉGATION DE POUVOIRS – CONTRATS OCTROYÉS DU 1 JANVIER AU 31 DÉCEMBRE 2021 POUR LA COMMISSION DU TRANSPORT EN COMMUN**

**Dossier : ACS2022-ICS-PRO-0002**

**Rapport au Commission du transport en commun**

**le 15 juin 2022**

**et au Conseil le 22 juin 2022**

**Soumis le 6 juin 2022 par Joanne Graham, Chef de l'approvisionnement (T), Service approvisionnement, Services novateurs pour la clientèle**

**Personne ressource : Sanna D'Ornellas, Gestionnaire, approvisionnement (T), Service approvisionnement, Services novateurs pour la clientèle**

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

**REPORT RECOMMENDATION(S)**

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

## **RECOMMANDATION(S) DU RAPPORT**

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

### **BACKGROUND**

The Procurement By-law requires Supply Services to report to the Finance and Economic Development Committee (FEDCO) and Council on a semi-annual basis. 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 Documents 1 and 2 relate only to OC Transpo.

In 2020, Council approved waiving Section 39 of the Procurement By-law to permit the 2021 semi-annual reports of the details relevant to the exercise of delegated authority for all contracts equal to or exceeding \$25,000 be delivered as one consolidated report in Q2 2022.

Documents 1 and 2 of this report provide a detailed listing of all contracts awarded under Delegated Authority exceeding \$25,000 for the period of January 1, 2021 to December 31, 2021 relating to OC Transpo, and identify the contract category, the professional and consulting services outsourcing reason, and the non-competitive exception where appropriate.

One of the stated objectives of the SAP Ariba implementation was to enable the City to better comply with the requirements of the Canadian–European Comprehensive Economic Trade Agreement (CETA), which applies to municipalities.

The CETA requires that the reported value of contracts subject to the agreement include the value of any optional extension periods. The reporting of the optional extension periods does not commit the City to extending the contracts for these periods.

With the implementation of SAP Ariba, and other business enhancements in City's procurement processes, Supply Services is now able to better comply with these enhanced reporting requirements as well as increase transparency of awarded contracts.

As a result of this change in reporting, the contracts identified in documents 1 and 2 will appear to have higher dollar values than in previous years. This is due to reporting the total expected contract value, in addition to residual extensions to previous years'

contracts. This is a one-time exception; going forward the contract values will stabilize as the optional extension periods will have already been reported.

## DISCUSSION

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

Documents 1 and 2 identify all competitive and non-competitive purchases. The non-competitive purchases reference 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 January 1, 2021 to December 31, 2021 are in compliance with the Procurement By-law.

### Highlights and summary of OC Transpo contracts $\geq$ \$25,000

Figure 1 – 2021 contracts by period

Period	Total contracts	Total value
Q1 – Q2 2021	110	\$133,769,086.63
Q3 – Q4 2021	96	\$49,753,375.08
<b>Total</b>	<b>206</b>	<b>\$183,522,461.71</b>

Figure 2 – Q1 and Q2 2021 contracts by service area

Service area	Total contracts	Total value
Business Support Services	1	\$147,364.00
Safety, Regulatory, Training & Development	4	\$729,804.50
Transit Customer Systems & Planning	35	\$4,467,987.49
Transit Operations Service	70	\$128,423,930.64
<b>Total</b>	<b>110</b>	<b>\$133,769,086.63</b>

Figure 3 – Q3 and Q4 2021 contracts by service area

<b>Service area</b>	<b>Total contracts</b>	<b>Total value</b>
Business Support Services	1	\$53,475.00
Safety, Regulatory, Training & Development	3	\$260,900.00
Transit Customer Systems & Planning	29	\$5,539,566.96
Transit Operations Service	63	\$43,899,433.12
<b>Total</b>	<b>96</b>	<b>\$49,753,375.08</b>

Figure 4 – Total Q1 to Q4 2021 contracts by service area

<b>Service area</b>	<b>Total contracts</b>	<b>Total value</b>
Business Support Services	2	\$200,839.00
Safety, Regulatory, Training & Development	7	\$990,704.50
Transit Customer Systems & Planning	64	\$10,007,554.45
Transit Operations Service	133	\$172,323,363.76
<b>Total</b>	<b>206</b>	<b>\$183,522,461.71</b>

Figure 5 – Total Q1 to Q4 2021 professional and consulting services for OC Transpo

<b>Service type</b>	<b>Total contracts</b>	<b>Total value</b>
Professional services	55	\$9,894,146.93
Consulting services	-	-
<b>Total</b>	<b>55</b>	<b>\$9,894,146.93</b>

The contracts awarded for the period of January 1, 2021 to June 30, 2021 are listed in Document 1.

The contracts awarded for the period of July 1, 2021 to December 31, 2021 are listed in Document 2.

### **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.

### **ADVISORY COMMITTEE(S) COMMENTS**

There are no comments associated with this report.

### **CONSULTATION**

The preparation of this report is required by the Procurement By-law and as such, no public consultation is required.

### **ACCESSIBILITY IMPACTS**

The City of Ottawa ensures that 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*.

### **ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications associated with this information report.

### **RISK MANAGEMENT IMPLICATIONS**

There are no risk implications associated with this report.

### **RURAL IMPLICATIONS**

There are no rural implications.

**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 – List of Contracts with a value of \$25k or more awarded under delegated authority for the period January 1, 2021 to June 30, 2021 for Transit Commission

Document 2 – List of Contracts with a value of \$25k or more awarded under delegated authority for the period July 1, 2021 to December 31, 2021 for Transit Commission

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 [sanna.dornellas@ottawa.ca](mailto:sanna.dornellas@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 : [sanna.dornellas@ottawa.ca](mailto:sanna.dornellas@ottawa.ca).

**DISPOSITION**

Report forwarded for information pursuant to the Transit Commission Terms of Reference.

## **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