

27 NOVEMBER 2019

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| <p>1. DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE PERIOD JANUARY 1, 2019 TO JUNE 30, 2019 FOR TRANSIT COMMISSION</p> <p>DÉLÉGATION DE POUVOIR – CONTRATS ACCORDÉS POUR LA PÉRIODE DU 1 JANVIER AU 30 JUIN 2019 POUR LA COMMISSION DU TRANSPORT EN COMMUN</p> |
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COMMISSION RECOMMENDATION

That Council receive this report for information.

RECOMMANDATION DE LA COMMISSION

Que le Conseil municipal prenne connaissance du présent rapport.

DOCUMENTATION / DOCUMENTATION

1. Chief Procurement Officer's report, Supply Services, Innovative Client Services Department dated 8 November 2019.
(ACS2019-ICS-PRO-0002)

Rapport du Chef de l'approvisionnement, Service Approvisionnement, Services novateurs pour la clientèle daté le 8 novembre 2019.
(ACS2019-ICS-PRO-0002)

2. Extract of Draft Transit Commission Minute, 20 November 2019.

Extrait de l'ébauche du procès-verbal de la Commission du transport en commun, le 20 novembre 2019.

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**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
20 November 2019 / 20 novembre 2019**

**and Council
et au Conseil
27 November 2019 / 27 novembre 2019**

**Submitted on November 8, 2019
Soumis le 8 novembre 2019**

**Submitted by
Soumis par:**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2019-ICS-PRO-0002

**SUBJECT: Delegation of authority – Contracts awarded for the period January 1,
2019 to June 30, 2019 for Transit Commission**

**OBJET: Délégation de pouvoir – Contrats accordés pour la période du 1
janvier au 30 juin 2019 pour la commission du transport en commun**

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REPORT RECOMMENDATIONS

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

RECOMMANDATIONS DU RAPPORT

Que la Commission du transport en commun et le Conseil municipal 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, Document 1, relate only to OC Transpo.

Each semi-annual report:

1. Contains information on contracts exceeding \$25,000 awarded under delegated authority to OC Transpo.
2. Identifies all contracts categorized as:
 - i. Consulting Services
 - ii. Professional Services
 - iii. Follow-on Contracts & Extensions, and
 - iv. Amendments.
3. Identifies the reason for outsourcing in accordance with the definitions discussed

DISCUSSION

The contracts awarded for the period of January 1, 2019 to June 30, 2019 are listed in Document 1.

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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.

Denoted in report as:

[PE] Professional Services – Specialized Expertise

[PO] Professional Services – Business Model required Outsourcing

[PI] Professional Services – Independent Third-Party Oversight

[PR] Professional Services – Regulatory Requirements

[PW] Professional Services – Fluctuations in workload or lack of internal resources

[PP] Professional Services – Proprietary Service or unique market position

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.

Denoted in report as:

[CE] Consulting Services – Specialized Expertise

Amendment

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

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Denoted in report as:

[A] Amendment

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.

Denoted in report as:

[F] Follow-on Contract

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.

Denoted in report as:

[E] Extension

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.

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Denoted in report as:

[E32(2)] Extension – as per Section 32(2) of the Procurement By-law

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, or
- (i) Where the requirement is for a utility for which there exists a monopoly.

Document 1 identifies all non-competitive purchases as well as references the appropriate subsection of Article 22(1).

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Supply Services certifies that all contracts centrally awarded under delegation of authority for the period of January 1, 2019 to June 30, 2019 are in compliance with the Procurement By-law.

Highlights and Summary of OC Transpo Purchasing Activity ≥ \$25,000

Figure 1 – Q1/Q2 2019 Purchasing by Period

| Quarter | Total Contracts | Total Value |
|----------------|------------------------|----------------------------------|
| Q1 – Q2 2019 | 82 | \$105,529,520 |
| Q3 – Q4 2019 | - | - |
| Total | 82 | \$105,529,520¹ |

Figure 2 – Q1/Q2 2019 Purchasing by Service Area

| Service Area | Total Contracts | Total Value |
|---|------------------------|----------------------|
| Business Support Services (BSS) | 2 | \$891,213 |
| Special Advisor to GM (SATGM) | - | - |
| Safety, Compliance, Training & Development (SCTD) | 3 | \$107,105 |
| Transit Customer Systems & Planning (TCSP) | 26 | \$11,868,895 |
| Transit Operations (TO) | 51 | \$92,662,307 |
| Total | 82 | \$105,529,520 |

¹ Please note this figure includes a single contract valued at \$58 million to supply and deliver ninety-three (93) 40-foot transit buses

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Figure 3 – Q1/Q2 2019 Professional and Consulting Services for OC Transpo

| Service Type | Total Contracts | Total Value |
|-----------------------|------------------------|---------------------|
| Professional Services | 18 | \$10,236,211 |
| Consulting Services | - | - |
| Total | 18 | \$10,236,211 |

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

There is no public consultation required for this report.

COMMENTS BY THE WARD COUNCILLOR(S)

There are no comments by ward councillors with respect to this report.

ADVISORY COMMITTEE(S) COMMENTS

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

LEGAL IMPLICATIONS

There are no legal impediments to receiving the information in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications.

ASSET MANAGEMENT IMPLICATIONS

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

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FINANCIAL IMPLICATIONS

There are no financial implications with this report.

ACCESSIBILITY IMPACTS

There are no accessibility implications associated with this information report.

TERM OF COUNCIL PRIORITIES

This report aligns with Term of Council Priorities with respect to Financial sustainability and Governance, Planning and Decision Making.

SUPPORTING DOCUMENTATION *(Held on file with the City Clerk)*

Document 1 – Delegation of authority – Contracts awarded for the period January 1, 2019 to June 30, 2019 for Transit Commission

DISPOSITION

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