

**4. DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE
PERIOD JULY 1, 2012 TO SEPTEMBER 30, 2012**

**DÉLÉGATION DE POUVOIR – CONTRATS ACCORDÉS POUR LA
PÉRIODE DU 1^{er} JUILLET AU 30 SEPTEMBRE 2012**

COMMITTEE RECOMMENDATION

That Council receive this report for information.

RECOMMANDATION DU COMITÉ

Que le Conseil municipal prenne connaissance du présent rapport.

DOCUMENTATION / DOCUMENTATION

1. Marian Simulik, City Treasurer report dated 11 January 2013 (ACS2013-CMR-FIN-0003) / Rapport de la Trésorière municipale daté du 11 janvier 2013 (ACS2013-CMR-FIN-0003).

Report to/Rapport au :

**Finance and Economic Development Committee
Comité des finances et du développement économique**

and Council / et au Conseil

**January 11, 2013
11 janvier 2013**

Submitted by/Soumis par : Marian Simulik, City Treasurer / Trésorière municipale

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CITY WIDE / À L'ÉCHELLE DE LA VILLE

Ref N°: ACS2013-CMR-FIN-0003

**SUBJECT: DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR
THE PERIOD JULY 1, 2012 TO SEPTEMBER 30, 2012**

**OBJET : DÉLÉGATION DE POUVOIR – CONTRATS ACCORDÉS POUR LA
PÉRIODE DU 1^{er} JUILLET AU 30 SEPTEMBRE 2012**

REPORT RECOMMENDATION

That the Finance and Economic Development Committee and Council receive this report for information.

RECOMMANDATION DU RAPPORT

Que le Comité des finances et du développement économique et le Conseil municipal prennent connaissance du présent rapport.

BACKGROUND

The *Purchasing By-law* requires the Supply Branch to report to Council on a quarterly basis. Each quarterly report:

1. contains information on contracts exceeding \$10,000 awarded under delegated authority.

2. identifies all contracts categorized as:
 - a. Consulting Services
 - b. Professional Services
 - c. Follow-on Contracts & Extensions
 - d. Amendments

3. identifies the reason for outsourcing in accordance with the definitions discussed below.

DISCUSSION

The contracts approved for the period of July 1, 2012 to September 30, 2012, are listed in Document 1.

Where appropriate, staff used the following definitions as outlined in the Purchasing By-law to identify the contract category, the 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. Those amendments that are both greater than \$50,000 and 50% of the original contract will be identified separately in the quarterly report as directed by Council on 25 October 2006.

Denoted in report as:

[A] Amendment

[A3] Amendment - >\$50,000 and 50% of original contract

Follow-on Contract & Extensions

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 the Supply Branch, 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 has delegated authority under the Purchasing By-law to extend the contract for a period of time no greater than two years from the date of the expiration provided that:

- (a) Supply 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 a renewal; and
- (b) The supplier's performance and vendor relations with the supplier have both exceeded the requirements of the Contract.

Denoted in report as:

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

Figure 1 below summarizes the total number and value of all contracts awarded for each Department. Figure 2 further identifies the reason for outsourcing of professional and consulting services contracts for each department. Please note the tables exclude

purchases made by the Ottawa Public Health Department and by the Transit Services Department. These are now reported to the Board of Health and Transit Commission respectively on a quarterly basis.

Figure 1 - Total contracts awarded for all Goods, Services* and Construction

Dept.	Total # of Contracts	Total \$ Value
Office of the Auditor General (OAG)	4	\$192,071
City Clerk & Solicitor (CCS)	3	\$91,165
City Operations, DCM's Office (CODCM)	1	\$152,640
Community & Social Services (CSS)	9	\$464,907
Economic Development & Innovation (EDI)	1	\$16,689
Emergency & Protective Services (EPS)	40	\$1,601,904
Environmental Services (ES)	94	\$10,903,480
Finance (F)	13	\$1,855,348
Human Resources (HR)	11	\$406,239
Infrastructure Services (IS)	257	\$122,749,098
Information Technology Services (ITS)	74	\$8,079,932
Planning & Growth Management (PGM)	19	\$1,229,478
Parks, Recreation & Cultural Services (PRCS)	4	\$115,076
Public Works (PW)	235	\$41,317,378
Real Estate Partnerships & Development Office (REPDO)	11	\$1,926,752
Rail Implementation Office (RIO)	23	\$3,532,173
Service Ottawa (SO)	28	\$3,335,099
Total	827	\$197,969,429

*Services include Professional and Consulting Services

Figure 2 - Total Professional & Consulting Services Contracts

Dept.	Total \$ Value	# Prof. Services	# Consulting Services	Reason for Outsourcing					
				Workload related "W"	Specialized expertise "E"	Independent third party oversight "I"	Regulatory Requirement "R"	Proprietary Service "P"	Business model outsourcing "O"
OAG	\$192,071	4	-	-	1	-	-	-	3
CCS	\$91,165	-	-	-	-	-	-	-	-
CODCM	\$152,640	-	1	-	1	-	-	-	-
CSS	\$464,907	3	-	-	1	-	-	-	2
EDI	\$16,689	-	-	-	-	-	-	-	-
EPS	\$1,601,904	6	-	-	5	-	-	-	1
ES	\$10,903,480	28	-	-	9	-	-	-	19
F	\$1,855,348	7	-	-	6	-	-	-	1
HR	\$406,239	11	-	-	5	-	-	-	6
IS	\$122,749,098	99	-	-	1	-	-	-	98
ITS	\$8,079,932	30	-	-	26	1	-	2	1
PGM	\$1,229,478	19	-	1	7	-	-	-	11
PRCS	\$115,076	1	-	-	-	-	-	-	1
PW	\$41,317,378	30	-	-	13	-	-	-	17
REPDO	\$1,926,752	10	-	-	3	-	-	-	7
RIO	\$3,532,173	21	1	-	6	-	-	1	15
SO	\$3,335,099	24	-	-	22	-	-	-	2
Total	\$197,969,429	293	2	1	106	1	-	3	183

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 the Supply Branch 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 22(1).

The Supply Branch certifies that all the contracts awarded under Delegation of Authority for the period of July 1, 2012 to September 30, 2012, are in compliance with the Purchasing By-law.

Highlights and Summary of Q3 Purchasing 2012

Figure 3 - Purchases Breakdown

2012 Q3	Total Contracts	% of Total Contracts	Total Amount	% of Total Amount
\$10K - \$25K	260	31.4%	\$4,299,695	2.2%
\$25K - \$50K	163	19.7%	\$5,725,119	2.9%
\$50K - \$100K	139	16.8%	\$10,331,664	5.2%
≥\$100K	265	32.1%	\$177,612,951	89.7%
Total	827	100.0%	\$197,969,429	100.0%

Figure 4 - 2012 Q3 Purchases by Type

Type	# of Contracts	Contract Value
Goods ¹	95	\$18,020,625
Fleet & Equipment ²	45	\$11,612,391
Construction ³	195	\$112,775,055
Technical Services ⁴	107	\$13,645,830
Professional Services* ⁵	244	\$29,606,873
IT & Special Projects ⁶	141	\$12,308,655
Total	827	\$197,969,429

* IT Professional Services purchases included in IT & Special Projects

Figure 5 - Professional and Consulting Services ≥ \$10,000

2012 Q3	Total Contracts	Total Value
Professional Services	293	\$34,929,185
Consulting Services	2	\$442,777
Total	295	\$35,371,962

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

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

¹ Includes:

- Supply and deliver coarse crushed rock salt for the 2012/2013 winter season to the City of Ottawa - \$9.8 M

² Includes:

- Supply bulk clear diesel for Municipal Fleet from 01 August 2012 to 31 December 2012 - \$3.8 M

³ Includes:

- Trim Road realignment, St. Joseph Boulevard and Old Montreal Road widening - \$32.4 M

⁴ Includes:

- Standing Offer for City-wide tree pruning services for Forestry Services - \$0.9M

⁵ Includes:

- Professional engineering services for the Water System SCADA Upgrade Replacement Project Process to modify the original scope - \$2.0 M

⁶ Includes:

- Purchase of Enterprise Permit and Licensing Software - \$1.2 M

COMMENTS BY THE WARD COUNCILLOR(S)

There are no comments.

LEGAL IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications.

FINANCIAL IMPLICATIONS

Prior to a contract approval, Supply Branch staff confirms that the appropriate funds are available in the budget, based on receipt of a funded requisition in SAP. The availability of funds is a condition of approval under the *Purchasing By-Law*.

ACCESSIBILITY IMPACTS

There are no accessibility implications to receiving this report.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications to this information report.

TECHNOLOGY IMPLICATIONS

There are no technology implications associated with this report.

TERM OF COUNCIL PRIORITIES

There is no term of council priorities associated with this report.

SUPPORTING DOCUMENTATION

Document 1 - List of Contracts with a value of \$10K or more, awarded under delegated authority for the period July 1, 2012 to September 30, 2012.

DISPOSITION

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