

2. DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE PERIOD JULY 1, 2020 TO DECEMBER 31, 2020 FOR TRANSIT COMMISSION

DÉLÉGATION DE POUVOIR – CONTRATS ACCORDÉS POUR LA PÉRIODE DU 1 JUILLET AU 31 DÉCEMBRE 2020 POUR LA COMMISSION DU TRANSPORT EN COMMUN

COMMISSION RECOMMENDATION

That Council receive this report for information.

RECOMMANDATION DE LA COMMISSION

Que le Conseil prenne connaissance du présent rapport.

Documentation/Documentation

1. Chief Procurement Officer, Supply Services, Innovative Client Services Department, dated September 9, 2021 (ACS2021-ICS-PRO-005)

Chef de l'approvisionnement, Service approvisionnement, Services novateurs pour la clientèle, daté le 9 septembre 2021 (ACS2021-ICS-PRO-005)

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**Report to
Rapport au:**

**Transit Commission
Commission du transport en commun
20 September 2021 / 20 septembre 2021
and Council
et au Conseil
13 October 2021 / 13 octobre 2021**

**Submitted on September 9, 2021
Soumis le 9 septembre 2021**

**Submitted by
Soumis par:**

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Services Department/ Chef de l'approvisionnement, Service approvisionnement,
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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2021-ICS-PRO-005

**SUBJECT: DELEGATION OF AUTHORITY – CONTRACTS AWARDED FOR THE
PERIOD JULY 1, 2020 to DECEMBER 31, 2020 FOR TRANSIT
COMMISSION**

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LE 13 OCTOBRE 2021

OBJET: DÉLÉGATION DE POUVOIR – CONTRATS ACCORDÉS POUR LA PÉRIODE DU 1 JUILLET AU 31 DÉCEMBRE 2020 POUR LA COMMISSION DU TRANSPORT EN COMMUN

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 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 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.

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DISCUSSION

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

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

Supply Services certifies that all contracts centrally awarded under delegation of authority for the period of July 1, 2020 to December 31, 2020 are in compliance with the *Procurement By-law*.

Highlights and summary of OC Transpo purchasing activity \geq \$25,000

Figure 1 – 2020 Purchasing by Period

Quarter	Total Contracts	Total Value
Q1 – Q2 2020	81	\$74,084,733
Q3 – Q4 2020	67	\$26,644,774
Total	148	\$100,729,507

Figure 2 – Q3 and Q4 2020 Purchasing by Service Area

Service Area	Total Contracts	Total Value
Business Support Services (BSS)	-	-
Safety, Compliance, Training & Development (SCTD)	3	\$1,763,010
Transit Customer Systems & Planning (TCSP)	21	\$9,192,019
Transit Operations (TO)	43	\$15,689,745
Total	67	\$26,644,774

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Figure 3 – Total Q1 to Q4 2020 Purchasing by Service Area

Service Area	Total Contracts	Total Value
Business Support Services (BSS)	1	\$919,806
Special Advisor to GM (SATGM)	-	-
Safety, Compliance, Training & Development (SCTD)	6	\$1,999,417
Transit Customer Systems & Planning (TCSP)	50	\$16,872,660
Transit Operations (TO)	91	\$80,937,624
Total	207	\$100,729,507

Figure 4 –Total Q1 to Q4 2020 Professional and Consulting Services for OC Transpo

Service Type	Total Contracts	Total Value
Professional Services	38	\$14,963,152
Consulting Services	-	-
Total	38	\$14,963,152

The contracts awarded for the period of July 1, 2020 to December 31, 2020 are listed in Document 1.

Section 2: 2021 Report timing

Article 39 of 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 exceeding \$25,000. The report to the Transit Commission on OC Transpo's delegated authority follows the same reporting cycle.

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These reports have traditionally been provided annually in Q3 (for contracts awarded between January 1 to June 30), and in Q2 of the subsequent year (for contracts awarded between July 1 and December 31).

As a result of delays pertaining to the City's response to the COVID-19 pandemic and the implementation of SAP Ariba, staff have recommended that the Finance and Economic Development Committee recommend that Council approve waiving Section 39 of the *Procurement By-law* to permit the 2021 semi-annual delegation of authority reports be delivered as one consolidated report in Q2 2022.

Approving one consolidated annual report for 2021 will permit the traditional reporting frequency to resume for purchases made in 2022.

In addition, receiving one consolidated annual report would be consistent with the approach taken in 2018 where, as a result of the election, semi-annual reports could not be provided due to Committee and Council not sitting in Q3 2018.

Should Council not approve receiving a consolidated annual report for 2021, Supply's traditional reporting frequency will be delayed by a minimum of one quarter going forward as follows:

- Contracts awarded between January 1 to June 30 will be reported in Q1/Q2 of the subsequent year; and
- Contracts awarded between July 1 and December 31 will be reported in Q3/Q4 of the subsequent year.

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

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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.

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

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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.

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:

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- 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.

RURAL IMPLICATIONS

There are no rural implications.

CONSULTATION

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

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COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide report and there are no comments required.

ADVISORY COMMITTEE(S) COMMENTS

There are no comments associated with this report.

LEGAL IMPLICATIONS

There are no legal impediments to the receipt of the report for information.

RISK MANAGEMENT IMPLICATIONS

There are no risk implications associated with this report.

ASSET MANAGEMENT IMPLICATIONS

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

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

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.

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 July 1, 2020 to December 31, 2020 for Transit Commission.

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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 Transit Commission Terms of Reference.