

The Regional Municipality of York

Committee of the Whole
Finance and Administration
May 14, 2020

Report of the Commissioner of Finance

Contract Awards, including Renewals, Approvals, and Emergency Purchases January 1, 2020 – March 31, 2020

1. Recommendation

Council receive this report for information.

2. Summary

This report advises Council of all contracts, including renewals, awarded by the Chief Administrative Officer, or Commissioners, with a total cost exceeding \$150,000, all emergency purchases authorized by the Chief Administrative Officer or Commissioners, and certain consulting fee increases authorized by Commissioners, from January 1, 2020 to March 31, 2020.

Pursuant to Sections 7.8, 7.14, 9.5 and 12.6 of the Purchasing Bylaw (No. 2017-30), and Clause 10 of Report No. 5 of Committee of the Whole, adopted by Regional Council on March 24, 2016, a report shall be submitted to Council, on a quarterly basis (or, in the case of emergency purchases, as soon as reasonably possible upon completion of the emergency) to advise of these awards and approvals.

Key Points:

- All purchases were in compliance with Purchasing Bylaw 2017-30
- 76 contract awards worth \$155.6 million, at an average value of just over \$2.0 million were authorized during the first quarter of 2020.
- 44 contracts in the value of \$149.3 million were awarded by the Chief Administrative Officer and 32 contracts in the value of \$6.3 million were awarded by Commissioners
- Included in the 76 contracts were 43 new contract awards, worth \$143.0 million, 15 renewals, worth just under \$8.0 million, 15 emergency purchases worth \$3.5 million, and 3 fast track approvals worth \$1.1 million.

3. Background

The Region's procurement process, including award limits, are detailed in the 2017 year-end Contract Awards report adopted by Council on March 22, 2018.

The Region's Purchasing Bylaw delegates authority to staff to award contracts meeting specific criteria. Sections 7.3 to 7.13 of the Purchasing Bylaw require purchases of goods and services exceeding \$150,000 be procured through a request for proposal or request for tender.

The proposed new Procurement Bylaw, which was planned to come into effect in the first quarter of 2020, has now been deferred as a result of the Region's response to COVID-19. Once in place, the new Bylaw will decrease the threshold for triggering a competitive procurement process from \$150,000 to \$100,000, bringing the Bylaw in alignment with requirements of domestic and international trade treaties. Following the final approval of the new Bylaw, this report will be expanded to include all contracts, including renewals, awarded by the Chief Administrative Officer, or Commissioners, with a total cost exceeding \$100,000.

Commissioners may award competitively procured contracts up to and including \$500,000

Commissioners are authorized to approve contracts, provided the total cost does not exceed the Commissioner's delegated authority of \$500,000.00 and the cumulative term of the contract does not exceed five years.

The Chief Administrative Officer may award competitively procured contracts at higher values

The Chief Administrative Officer is authorized to approve contracts resulting from requests for tenders or requests for proposals, with a value in excess of \$500,000 (with a maximum of \$2 million for requests for proposals), provided the cumulative term of the contract does not exceed five years.

4. Analysis

Contract awards, including renewals, emergency purchases, fast tracks and increases had a total value of \$155.6 million

As shown in Figure 1, during the first quarter of 2020, 76 contract awards worth \$155,594,698 including renewals, emergency purchases, fast tracks and increases, were authorized by the Commissioners, Chief Administrative Officer and the Regional Chair, as applicable.

Figure 1

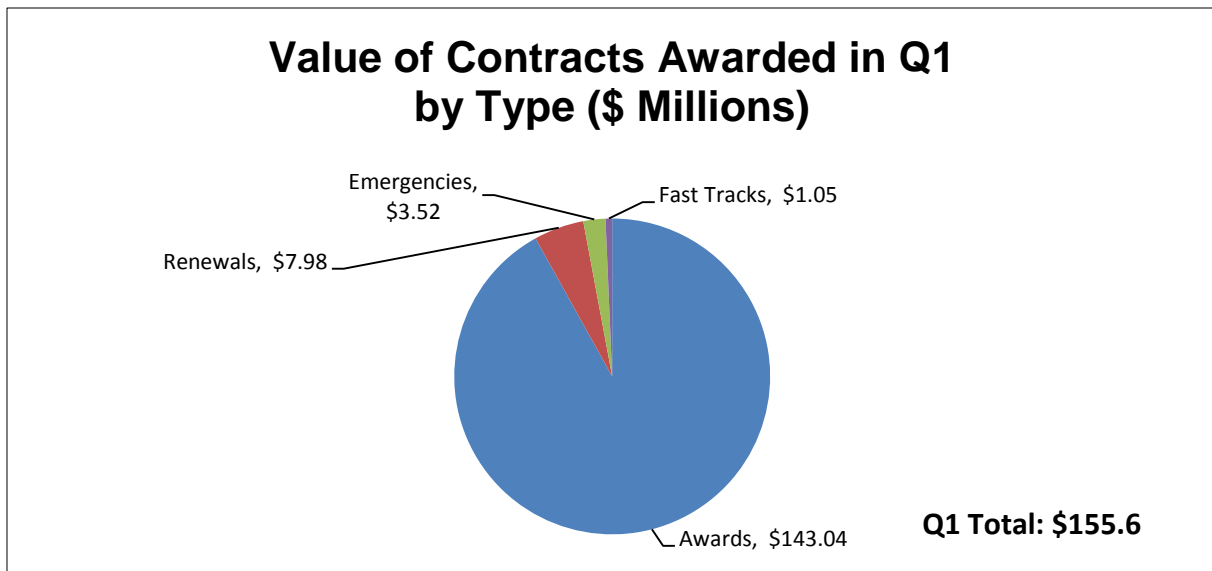
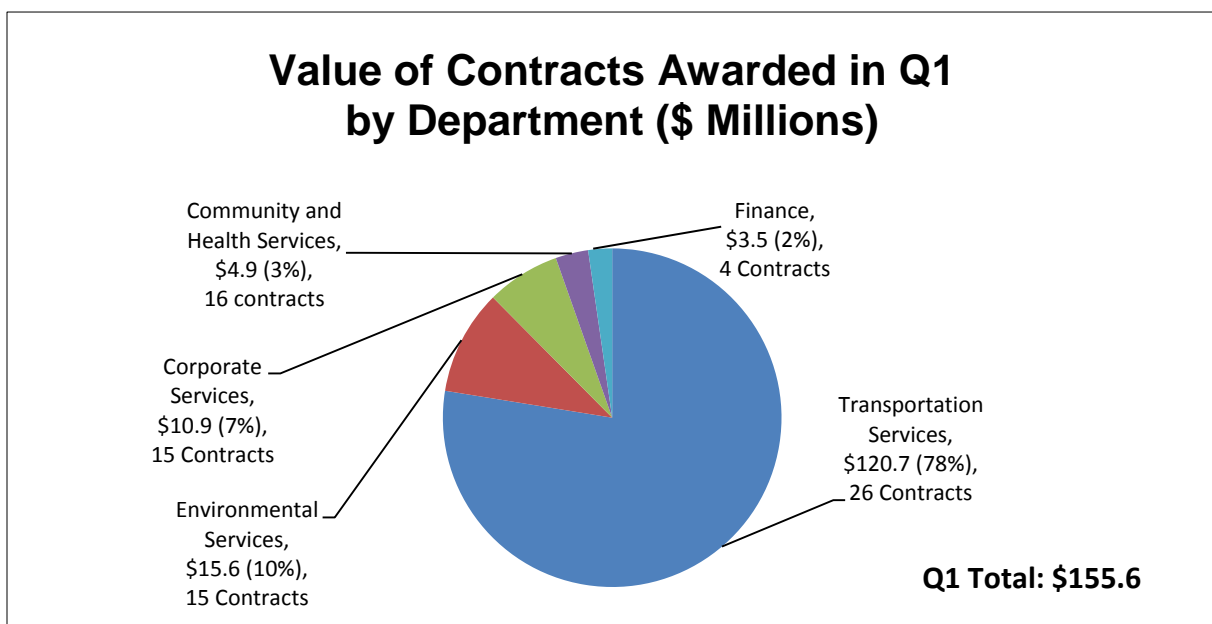


Figure 2



Note: Due to rounding, numbers presented throughout this report may not add up precisely to the totals indicated

Attachment 1 provides a list of contract awards, including renewals, and emergency purchases, from January 1, 2020 to March 31, 2020, with a brief description of each type of procurement activity. The average value across the 76 contracts awarded in quarter 1, 2020 was just over \$2.0 million. Table 1 illustrates the significant variances in the average contract values awarded by the different departments.

Table 1

Average contract value in Q1 2020 by Department

Department	Average Contract Value (in million \$)
Transportation Services	4.64
Environmental Services	1.03
Finance	0.89
Corporate Services	0.73
Community & Health Services	0.30

There is also a significant year over year increase in the total volume and value of contracts awarded, compared to quarter 1, 2019. The Region awarded 40, or 53%, more contracts in quarter 1, 2020, amounting to a total awarded contract value that is over \$76.9 million, or 49%, higher than in quarter 1, 2019. The majority of the impact is a result from over \$61 million fuel contracts awarded for Transportation Services, Environmental Services, Corporate Services Community and Health Services, accounting for 39% total awarded value in first quarter and over 79% of the year over year increase.

Another significant impact may have been due to the timing of Council's 2019 budget approval, which occurred in February 2019, following election of Council. The end of year 2020 budget approval occurred in December 2019 and allowed departments to begin their procurement planning and execution early in quarter 1, 2020, significantly increasing the total volume and value of contracts awarded, compared to quarter 1, 2019.

COVID-19 related procurement activities result in 13 emergency contracts

Among the 76 contracts awarded during the first quarter, in the total value of \$ \$155,594,698, there were 13 emergency contracts related to the COVID-19 outbreak, in the total awarded value of \$ \$3,505,824, representing 17% of the total number of contracts awarded and 2.3% of the total award value.

Report not capturing awards over \$2 million reported to Council directly

This report does not capture requests for proposal where the total cost exceeded \$2 million, as those procurements are awarded by Council through individual departmental reports. During the first quarter, Council awarded one Request for Proposal, in the value of \$2.8 million.

5. Financial

All contract awards, including renewals, and emergency purchases, were within approved budgets.

6. Local Impact

There is no local municipal impact associated with this report.

7. Conclusion

The total value of the 76 contract awards, including renewals, emergency purchases, fast tracks and increases, in the first quarter was \$155.6 million.

All purchases identified in this report were in compliance with Purchasing Bylaw 2017-30 and in accordance with all applicable Regional policies and procedures.

For more information on this report, please contact, Agnes Sott Krzemien, Manager, Procurement Policy and Performance, Procurement Office at 1-877-464-9675 ext. 71292 or Sunny Khemai, Manager Strategy & Compliance at ext. 76003. Accessible formats or communication supports are available upon request.

Recommended by: **Laura Mirabella, FCPA, FCA**
Commissioner of Finance and Regional Treasurer

Approved for Submission: **Bruce Macgregor**
Chief Administrative Officer

April 29, 2020
Attachments (1)
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