

The Regional Municipality of York

Committee of the Whole
Finance and Administration
March 12, 2020

Report of the Commissioner of Finance

Contract Awards, including Renewals, Approvals, and Emergency Purchases October 1, 2019 – December 31, 2019

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 October 1, 2019 to December 31, 2019.

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
- 66 contract awards worth \$59.9 million, at an average value of just over \$0.9 million were authorized during the fourth quarter of 2019
- Included in the 66 contracts were 45 new contract awards, worth \$54.6 million, 12 renewals, worth \$2.6 million, 4 emergency purchases worth \$0.6 million, and 5 fast track approvals worth \$2.1 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 newly approved Procurement 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. Starting in the second quarter, 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.

Under the new Procurement Bylaw, Regional Council authorized the shift of authority to award requests for proposals valued higher than \$2 million to the Chief Administrative Officer to be consistent with straightforward tenders. Starting in the second quarter, this report will also be expanded to advise Council of all contracts, awarded by the Chief Administrative Officer, resulting from requests for proposals with a total cost exceeding \$2 million.

4. Analysis

Contract awards, including renewals, emergency purchases and fast tracks, in the fourth quarter had a total value of \$87.7 million, with \$59.9 million included in this report

As shown in Figure 1, during the fourth quarter of 2019, 66 contract awards worth \$59.9 million, including renewals, emergency purchases, and fast tracks, were authorized by the Commissioners, Chief Administrative Officer and the Regional Chair, as applicable.

This report does not capture requests for proposals where the total cost exceeded \$2 million, as Council approves those procurements through individual departmental reports. In the fourth quarter, the total value of the two requests for proposals awarded at a cost exceeding \$2 million was \$27.8 million.

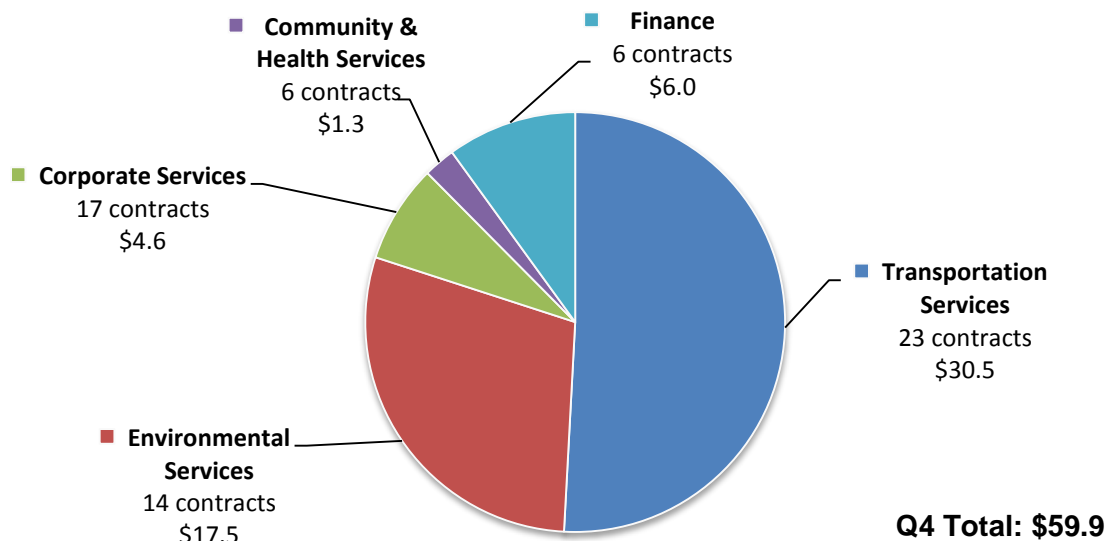
As of year-end, contract awards, including renewals, emergency purchases, and fast tracks had a total value of \$404.7 million, with \$372.0 million included in this report

As shown in Figure 2, in 2019, 219 contract awards worth \$372.0 million, including renewals, emergency purchases, and fast tracks, were authorized by the Commissioners, Chief Administrative Officer and the Regional Chair, as applicable.

As of year-end, the total value of the four requests for proposals awarded at a cost exceeding \$2 million was \$32.7 million.

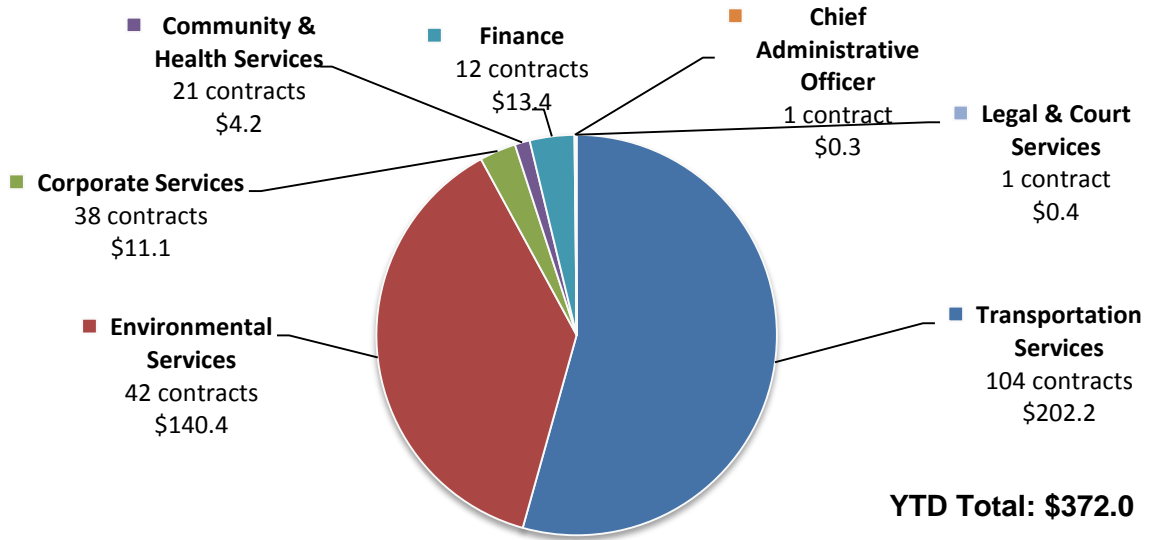
Figure 1

**Value of Contracts Awarded in 4th Quarter
(\$ Millions)**



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

Figure 2
Value of Contracts Awarded YTD
(\$ Millions)



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 October 1, 2019 to December 31, 2019, with a brief description of each type of procurement activity.

The average contract value from October 1, 2019 to December 31, 2019 was just over \$0.9 million. Transportation Services averaged \$1.3 million per contract, Environmental Services averaged \$1.3 million per contract, Corporate Services averaged \$0.3 million per contract, Community & Health Services averaged \$0.2 million per contract and Finance averaged \$0.9 million per contract.

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 66 contract awards, including renewals, and emergency purchases, in the fourth quarter was \$59.9 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 Jerry Paglia, Director, Procurement Office at 1-877-464-9675 ext. 71650 or Agnes Sott Krzemien, Manager, Procurement Policy and Performance at ext. 71292. 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

February 3, 2020
Attachments (1)
eDOCS#: 10392504