

# The Regional Municipality of York

Committee of the Whole  
Finance and Administration  
June 11, 2020

Report of the Commissioner of Finance

## Consolidated Non-Competitive Contract Award and Extensions Report

### 1. Recommendations

1. Council authorize the extensions of contract agreements between the Region and each of the vendors listed in Private Attachments 1 through 5 for the terms described in the attachments.
2. Council authorize a direct purchase, for the purpose of product standardization, listed in Private Attachment 1 for the terms described in the attachments.
3. The Commissioner of the department requiring the product or service be authorized to exercise options to extend the agreements for up to the maximum term described in Private Attachments 1 through 5 on the same terms, provided that the vendors have performed the services to the satisfaction of the Commissioner and the total cost is within the approved annual budget for these services.
4. The Commissioner of Community and Health Services be authorized to delegate the execution of purchase agreements to the General Manager, Paramedic and Seniors Services, in relation to technology standardization, where the agreement amounts are within the General Manager's delegated signing authority limits.

### 2. Summary

This consolidated report seeks Council approval of one product standardization request and 71 contract awards and extensions that meet the following circumstances:

- Award of direct purchase contracts with a total cost, exceeding \$150,000
- Extension of direct purchase contracts with a total cost that exceeds, or will exceed \$150,000
- Extension of contracts with an aggregate term greater than five (5) years
- Extension of contract with no renewal option, or where all renewal options have been exhausted

Pursuant to Section 18.1 and Section 10.2 of the Purchasing Bylaw (No. 2017-30), a report shall be submitted to Council prior to authorizing procurements under these circumstances.

This report consolidates 72 requests for Council approval from across all departments, for a total estimated value of \$12,849,790, in an effort to minimize the number of ad hoc reports presented to Council.

The attachments to this report are private, pursuant to Section 239(2) (a) of the *Municipal Act, 2001*, as the subject matter of the attachment involves the security of the property of the Region.

Key Points:

- Council approval is required prior to authorizing procurements made under specific circumstances
- 61 contracts, in the value of \$11.5 million, require extensions over the 5 year term to ensure business continuity and operational requirements
- 8 extensions, in the value of just over \$855K, are required for contracts which do not have renewal options, or where all renewal options have been exhausted
- 1 direct purchase for the purpose of product standardization, in the total value of \$150K, is required to support business continuity and operational requirements
- 2 contract extensions, in the total value of \$387K, are required to extend existing Purchase Orders (POs) instead of releasing competitive bids due to unfavorable market conditions during COVID-19
- Council approval of these contract awards and extensions is required under the provisions of Sections 10.2, 12.3 and 18.1 of the Purchasing Bylaw, as applicable to each contract

### **3. Background**

#### **Reducing the number of ad hoc reports to Council**

As part of the Region's continued procurement modernization efforts, staff continue to seek ways to streamline and improve the way in which procurement matters receive Council approval. In an effort to reduce the number of ad hoc reports to Council, this report pilots a consolidated format of requests requiring Council approval.

In the last five years Council provided approval for approximately 85 non-competitive purchase awards and extensions through 40 individual departmental reports. Historically, departments presented their reports to Council at various intervals, once a year, twice a year, or every five years, depending on departmental practices.

Planned as a semi-annual report, with centralized Procurement Office oversight and approval, this new consolidated report enables a more consistent, coordinated, and compliance-focused approach of bringing forward all departmental non-competitive award and extension requests for Council approval in a single report.

It is expected this new consolidated report format will generate several key efficiencies, including:

- Consolidated reporting to Council and ease of accountability
- Centralized screening and oversight by the Procurement Office
- Enhanced purchasing coordination and enhanced compliance with corporate product/service standards
- Enhanced visibility, enabling critical data analytics by the Procurement Office to identify corporate trends and opportunities for increased compliance, and potential for contract cost reductions

Corporate Services submitted all their requests for direct purchase awards and extensions, while other departments have included some of their critical requests leveraging this consolidated approach, earlier than originally planned. We expect future reports to include all departmental requests submitted on a semi-annual basis. This regular reporting will streamline the number of procurement-related reports submitted by each department, for Council approval.

### **The Purchasing Bylaw specifies procurement activities requiring Council approval to proceed**

Pursuant to Section 18.1 and Section 10.2 of the Purchasing Bylaw (No. 2017-30), a report shall be submitted to Council seeking approval of contract awards, extensions and renewals that would result in:

- Direct purchase contracts with a total cost, exceeding \$150,000
- Extension of direct purchase contracts with a total cost that exceeds, or will exceed \$150,000
- Extension of contracts with an aggregate term greater than five (5) years

Additionally, to provide Council with fullest transparency, this report also includes:

- Extension of direct purchase contracts with an original contract value under \$150,000, where the extension term will result in the total contract value exceeding \$150,000
- Extension of contracts with no renewal options, or where all renewal options have been exhausted
- Direct purchase contracts for the purpose of product or technology standardization

## 4. Analysis

### **72 direct purchases, contract extensions, and a product standardization are required to enable business continuity and operational requirements of Regional programs**

In an effort to provide better transparency on the volume of procurement transactions requiring Council consideration, this report consolidates these types of requests from across the organization. This will serve to reduce the number of ad hoc reports to Council. This report includes one direct purchase for the purpose of product/technology standardization, and 71 contracts requiring extensions of which 61 contracts require extensions beyond the standard five year term, eight contracts require extensions, where no renewal options exist, or where renewal options have been exhausted, and two contracts require extensions where the release of a competitive procurement is not favourable due to COVID-19 related market impacts.

**Table 1  
Summary of Contract Extension Terms and Costs**

# of Requests	Category	Total Estimated* Cost (\$)	% of Total Cost
1	Product Standardization	150,000	1
61	Contract Extension over 5 year term	11,457,671	89
8	Contract Extension with no renewal option or where all renewal options have been exhausted	855,019	7
2	Existing POs requiring extension instead of releasing a competitive bid due to unfavorable market conditions during COVID-19	387,100	3
<b>72</b>		<b>12,849,790</b>	<b>100</b>

<sup>1</sup>\*Estimated cost calculations factor in annual cost adjustments and forecasted changes in user, business and operational requirements.

## 5. Financial

The estimated cost to award or extend the contracts requested in this report is provided in Table 2. The required funding is included in the responsible department's 2020 budget and the approved 2021-2022 operating outlook, and will be included in future budgets.

**Table 2**  
**Summary of Direct Purchase Contract Awards, Extensions and Product Standardization Requests by Department**

Category of Request	Community and Health Services Requests		Corporate Services Requests		Environmental Services		Finance Requests		Transportation Services Requests	
	Total #	Estimated* Cost** (\$)	Total #	Estimated* Cost** (\$)	Total #	Estimated* Cost** (\$)	Total#	Estimated* Cost** (\$)	Total#	Estimated* Cost** (\$)
Direct Purchase for purpose of Product Standardization	1	150,000								
Contract Extension over 5 year term	8	1,143,167	44	3,358,504	2	393,000	5	1,813,000	2	4,750,000
Extension of Contracts with no renewal option/ or where all renewal options have been exhausted	3	311,519					5	543,500		
Existing Contract extension instead of releasing a bid due to unfavorable market conditions during COVID-19									2	387,100
<b>TOTAL</b>	<b>12</b>	<b>1,604,686</b>	<b>44</b>	<b>3,358,504</b>	<b>2</b>	<b>393,000</b>	<b>10</b>	<b>2,356,500</b>	<b>4</b>	<b>5,137,100</b>

\*Estimated cost calculations factor in annual cost adjustments and forecasted changes in user, business and operational requirements.

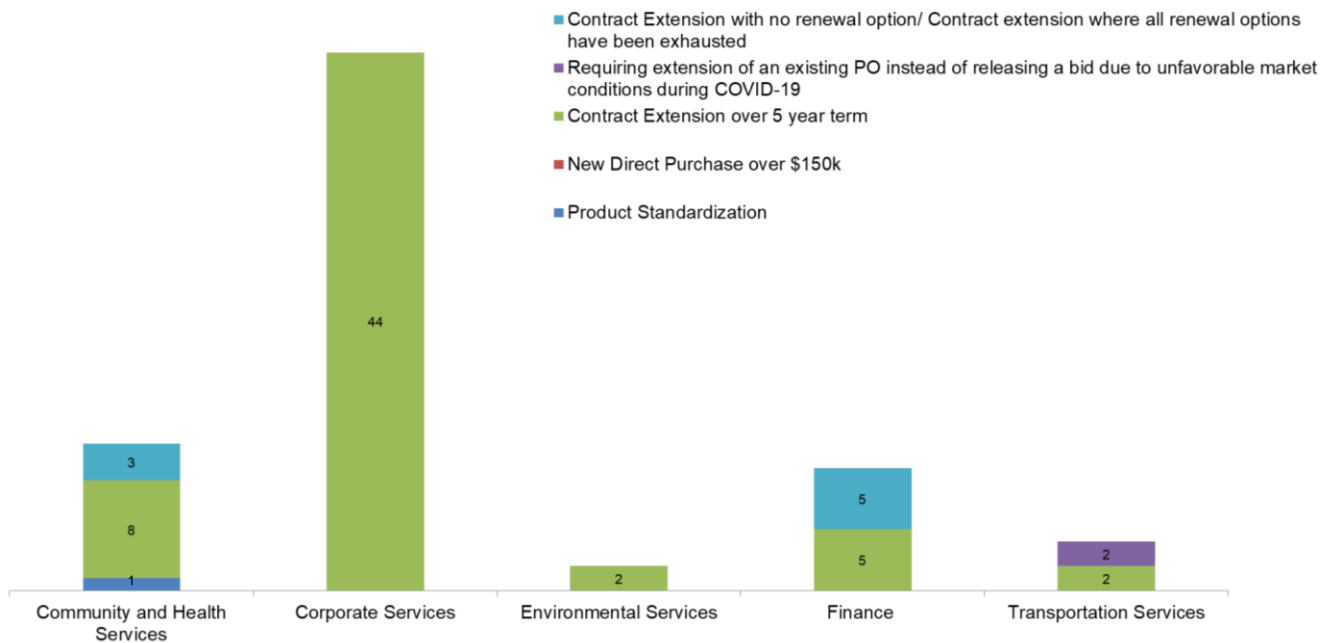
\*\*The required funding is included in the responsible department's 2020 budget and the approved 2021-2022 operating outlook, and will be included in future budgets

## Corporate Summary of Direct Purchase Contract Awards, Extensions and Product Standardization Requests

This report consolidates 72 direct purchase awards and contract extensions requests from five departments. At 72 requests, the total number of contract extensions within this report is comparable to the volume of requests put before Council over the last 5 years.

As previously identified, in the last five years Council reviewed and approved approximately 85 non-competitive purchase awards and extensions through 40 departmental reports, presented to Council annually, bi-annually or every 5 years, depending on departmental practices.

**Chart 1**  
**Corporate Summary of Direct Purchase Contract Awards, Extensions and Product Standardization Requests**



As shown in the corporate summary in Chart 1 above, Corporate Services, at 44, put forward the highest number of requests in this report. Their number is higher than other departments as Corporate Services was intended to serve as the pilot department for this new consolidated report, which is comparable to the 55 requests last put forward by the department in 2015. Other departments have been added to this report as a result of impacts affecting their ability to put forward individual reports during the current COVID-19 response environment affecting all business areas in unprecedented way.

In addition, tables 3 through 7 present a more detailed analysis of the departmental requests at the branch level.

**Table 3**  
**Community and Health Services Department**  
**Branch Summary of Direct Purchase Contract Awards, Extensions and Product**  
**Standardization Requests**

Description	Total (\$)	Total (#)	Total (%)
Paramedic and Senior Services	1,604,686	12	100
<b>TOTAL</b>	<b>1,604,686</b>	<b>12</b>	<b>100</b>

The requests brought forward from Community and Health Services require Council approval before the next report cycle and are related to Paramedic Services uniforms, Paramedic Services related vehicle repair and maintenance, and Long-Term Care Homes related janitorial supplies.

Further details can be found in Private Attachment 1.

**Table 4**  
**Corporate Services Department**  
**Branch Summary of Direct Purchase Contract Awards and Extensions Requests**

Description	Total (\$)	Total (#)	Total (%)
Planning and Economic Development Branch	110,100	3	3
DAVS	1,091,063	11	32
Corporate Communications	136,260	8	5
Office of the Regional Clerk	234,700	4	7
Property Services	816,881	7	24
Human Resources	899,500	10	26
Business Services	85,000	1	3
<b>TOTAL</b>	<b>3,358,504</b>	<b>44</b>	<b>100</b>

The requests brought forward from Corporate Services require Council approval before the next report cycle and are related to various software subscription and support services, data and analytics subscription services, online communications related subscription services, training and development tools and services, and professional/consulting services.

Further details can be found in Private Attachment 2.

**Table 5**  
**Environmental Services Department**  
**Branch Summary of Direct Purchase Contract Awards and Extensions Requests**

Description	Total (\$)	Total (#)	Total (%)
Operations, Maintenance and Monitoring	393,000	2	100
<b>TOTAL</b>	<b>393,000</b>	<b>2</b>	<b>100</b>

The requests brought forward from Environmental Services require Council approval before the next report cycle and are related to waste bin haulage services and waste sludge haulage services.

Further details can be found in Private Attachment 3.

**Table 6**  
**Finance Department**  
**Branch Summary of Direct Purchase Contract Awards and Extensions Requests**

Description	Total (\$)	Total (#)	Total (%)
Information Technology	543,500	5	23
Controllership	1,813,000	4	77
Strategy and Transformation	0	1	0
<b>TOTAL</b>	<b>2,356,500</b>	<b>10</b>	<b>100</b>

The requests brought forward from Finance require Council approval before the next report cycle and are related to public Wi-Fi at the Administrative Building, off-site media storage and retrieval services, telecom services (long distance), software subscription and support services and professional services.

Further details can be found in Private Attachment 4.

**Table 7**  
**Transportation Services Department**  
**Branch Summary of Direct Purchase Contract Awards and Extensions Requests**

Description	Total (\$)	Total (#)	Total (%)
Business Planning and Technology	4,990,000	3	97
Transit	147,100	1	3
<b>TOTAL</b>	<b>5,137,100</b>	<b>4</b>	<b>100</b>

The requests brought forward from Transportation Services leveraging this consolidated approach and are related to software and hardware maintenance, support and enhancements and consulting services.

Further details can be found in Private Attachment 5.



## 6. Local Impact

There are no direct local municipal impacts as a result of this report.

## 7. Conclusion

Staff are seeking Council authorization to extend 71 contracts, and award one direct purchase, for the purpose of product standardization for terms of up to five years, as specified. These contracts support the business continuity requirements of Regional programs and/or reliability of technology systems used to meet business requirements, ensuring a consistent and stable business environment for the Region.

---

For more information on this report, please contact Agnes Sott Krzemien, Manager, Policy and Performance at 1-877-464-9675 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

June 8, 2020  
Private Attachments (5)  
10805275