

The Regional Municipality of York

Committee of the Whole
Finance and Administration
June 16, 2022

Report of the Commissioner of Finance

Contract Awards and Amendments Requiring Council Approval

1. Recommendations

1. Council authorize the award of new non-standard purchases, extensions, and increases to existing contracts over five years, or where optional renewal terms are not available, as per Attachment 1 and Private Attachment 1 which identify the contracts between the Region and each supplier for the terms described.
2. Council authorize Commissioners and Department Heads, or their designates, to execute the contracts approved in this report, including all applicable renewals.

2. Summary

This report seeks Council approval of 53 new non-standard purchases, and extensions and increases with a value of \$21.9 million that meet one or more of the following circumstances:

- Extensions of existing contracts which result in an aggregate contract term greater than five (5) years
- Non-standard extensions and increases on existing competitively procured contracts, where the contract does not provide for a renewal option, or all renewal options have been exercised
- Non-standard extensions and increases on existing non-standard contracts, where the total contract cost, including the requested increase, exceeds \$100,000
- Private Attachment 1 to this report will be considered in private session as the items within it are related to the security of Regional property

Pursuant to Section 18 of the Procurement Bylaw (No. 2021-103), a report shall be submitted to Council prior to authorizing procurements under the circumstances listed above.

This report consolidates 53 requests across five Regional departments, with a value of \$21.9 million to minimize the number of ad hoc reports for Council approval.

All requests within this report have been validated by the Procurement Office, Legal Services, and Commissioners/Department Heads to ensure that they meet the required criteria to be procured as non-standard purchases, extensions, and increases.

A private attachment was required, pursuant to Sections 239(2) (a) of the *Municipal Act, 2001*, as the subject matter within involves the security of Regional property.

Key Points:

- 35 contracts, in the value of \$18.2 million, require extensions and increases over the five-year term to support business continuity and operational requirements
- 10 contracts, in the value of \$0.9 million require extensions and increases for an existing contract, which do not have any, or have exhausted all renewal options to support business continuity and operational requirements
- 8 contracts, in the value of \$2.8 million require an extension and increase for an existing non-standard purchase contract over \$100,000 to support business continuity and operational requirements
- Council approval of these contract awards and amendments is required under the provisions of Section 18 of the Procurement Bylaw, as applicable to each contract

3. Background

The consolidated report format streamlines the approval process and provides additional transparency to Council

As part of the Region's continued procurement modernization efforts, staff continue to seek ways to streamline Council approval of procurement related matters.

In 2022, this report will be submitted twice – in April and June. There would typically be a November submission of this report, however that will not take place due to Council's pre-election recess. Therefore, this report will be inclusive of all remaining requests for 2022.

The Procurement Bylaw specifies procurement activities requiring Council approval to proceed

Pursuant to Section 18 of the Procurement Bylaw, a report shall be submitted to Council seeking approval of contract awards, extensions and renewals that would result in:

- New non-standard purchases where the total contract amounts, including all renewals, exceed \$500,000
- Extensions of existing contracts which result in an aggregate contract term greater than five (5) years
- Non-standard extensions and increases on existing contracts, where the contracts do not provide for renewal options, or where all renewal options have been exercised

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

- Non-standard extensions and increases on existing contracts, where the total contract cost, including the requested increase, exceeds \$100,000

- Non-standard procurements for the purpose of product/service standardization

4. Analysis

A value for money exercise was conducted to ensure best value for the Region

Where goods and services are not competitively procured, a value for money exercise is conducted to ensure awards, increases and extensions of contracts represent the best value for the Region.

Staff are encouraged to test and research the market at the end of each contract through various methods, including Requests for Information (RFI) or through Expressions of Interest (EOI). This ensures an up-to-date awareness/understanding of suppliers and the most competitive prices. Where extensions of contracts are negotiated, the price of the extension is reviewed to ensure it is within an acceptable inflation value.

53 direct purchases, contract extensions and increases are required to enable business continuity and operational requirements of Regional programs

To provide better transparency on the volume of procurement transactions requiring Council consideration, this report consolidates these types of requests from across the organization and will serve to reduce the number of ad hoc reports to Council. Table 1 summarizes, by category, the requests within this report.

Table 1
Summary of Contract Awards and Amendments Requiring Council Approval

Category	# of Requests	Estimated* Cost (\$)	Percentage of Total Cost (%)
Stream 1: New non-standard purchases where the total contract amount, including all renewals, exceeds \$500,000	0	0	0
Stream 2: Extensions of existing contracts which result in an aggregate contract term greater than five (5) years	35	18,238,841	83
Stream 3: Non-standard extensions and increases on existing competitively procured contracts, where the contract does not provide for a renewal option, or all renewal options have been exercised	10	861,191	4
Stream 4: Non-standard extensions and increases on existing non-standard contracts, where the total contract cost, including the requested increase, exceeds \$100,000	8	2,846,500	13
TOTAL	53	21,946,532	100

*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/increase the contracts requested in this report is outlined in Table 2. The required funding for these requests is included in the responsible department's 2022 budget and will be included in future budgets.

Table 2
Summary of Contract Awards and Amendments Requiring Council Approval

Department		Stream 1	Stream 2	Stream 3	Stream 4
Community and Health Services	Total #	-	12	6	2
	Estimated* Cost (\$)	-	5,906,139	386,944	240,000
Corporate Services	Total #	-	3	1	-
	Estimated* Cost (\$)	-	189,500	337,647	-
Finance	Total #	-	8	1	-
	Estimated* Cost (\$)	-	4,656,674	91,600	-
Legal and Court Services	Total #	-	2	-	-
	Estimated* Cost (\$)	-	394,348	-	-
Public Works	Total #	-	10	2	6
	Estimated* Cost (\$)	-	7,092,180	45,000	2,606,500

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

Department specific summaries can be found in Attachment 1 and Private Attachment 1.

Corporate Summary of Contract Awards and Amendments Which Require Council Approval

This report consolidates 53 direct purchase, contract extension and increase requests from five departments. At 53 requests, the total number of requests within this report is the same as the 53 requests submitted in June 2021. This is as expected, as the Procurement Forecasting Initiative, introduced to the organization in late 2020, facilitates enhanced departmental planning of upcoming procurements.

As outlined in Table 2, Community and Health Services put forward the highest number of requests (20), followed by Public Works (18), Finance (9), Corporate Services (4) and Legal and Court Services (2).

Detailed Breakdown of the Departmental Requests

Tables 3 through 7 present a more detailed analysis of the departmental requests by branch level. In addition to the information outlined below, further details for all departments can be found in Attachment 1 and Private Attachment 1, where applicable.

Table 3
Community and Health Services
Branch Summary of Direct Purchase, Contract Extension, and Increase Requests

Description	Total (#)	Total (\$)	Total (%)
Integrated Business Services	1	572,696	9
Paramedic and Seniors Services	17	5,792,811	89
Public Health	2	167,576	2
TOTAL	20	6,533,083	100

The requests brought forward from Community and Health Services are related to consulting services, dress uniforms, electronic survey platform, foot care nurse services, medical training, nicotine replacement aids, power-load stretchers, maintenance services, and parts, various software and software maintenance services, supply and delivery of incontinent supplies, telephone translation services, vehicle branding services, and vehicle maintenance and repair services.

Table 4
Corporate Services
Branch Summary of Direct Purchase, Contract Extension, and Increase Requests

Description	Total (#)	Total (\$)	Total (%)
Data, Analytics and Visualization Services	1	19,200	4
Human Resources	1	150,000	28
Regional Clerk	1	337,647	64
Planning and Economic Development	1	20,300	4
TOTAL	4	527,147	100

The requests brought forward from Corporate Services are related to e-learning, electronic agenda management, occupational health services, and software.

Table 5
Finance
Branch Summary of Direct Purchase, Contract Extension, and Increase Requests

Description	Total (#)	Total (\$)	Total (%)
Information Technology Services	7	4,561,674	96
Treasury Office	2	186,600	4
TOTAL	9	4,748,274	100

The requests brought forward from Finance are related to business internet services, data services, domain name system (DNS) firewall services, financial custodial services, long distance services, mobile app hosting and maintenance, software and software maintenance services, various software, and video conferencing services.

Table 6
Legal and Court Services
Branch Summary of Direct Purchase, Contract Extension, and Increase Requests

Description	Total (#)	Total (\$)	Total (%)
Court Services	2	394,348	100
TOTAL	2	394,348	100

The requests brought forward from Legal and Court Services require Council approval and are related to software and software maintenance and video conferencing services.

Table 7
Public Works
Branch Summary of Direct Purchase, Contract Extension, and Increase Requests

Description	Total (#)	Total (\$)	Total (%)
Business Planning and Technology	6	4,196,500	43
Environmental Capital Planning and Delivery	1	25,000	0
Environmental Promotion and Protection	1	3,000,000	31
Roads and Traffic Operations	6	2,293,000	24
Transit	1	5,000	0
Transportation Capital Planning and Delivery	3	224,180	2
TOTAL	18	9,743,680	100

The requests brought forward from Public Works require Council approval and are related to engineering services, interpretation services, various original equipment manufacturer parts and servicing, various software and software maintenance, and waste transportation.

6. Local Impact

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

7. Conclusion

Council authorization is requested to award direct purchase, contract extension, and contract increases, for terms as specified within Attachment 1 and Private Attachment 1.

The requests within this report support business continuity requirements of Regional programs and helps ensure a consistent and stable business environment that enables the delivery of Regional business objectives.

For more information on this report, please contact, Fadi Samara, Director, Procurement Office at 1-877-464-9675 ext. 71650. Accessible formats or communication supports are available upon request.



Recommended by:

Kelly Strueby

Acting Commissioner of Finance and Regional Treasurer



Approved for Submission:

Bruce Macgregor

Chief Administrative Officer

June 2, 2022

Attachment (1)

Private Attachment (1)

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