

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Friday, May 23, 2025 Meeting

FROM: Linda Charlebois, Director, Corporate Services

**RE: REQUEST FOR PURCHASE ORDER INCREASE TO
ENABLE CONTRACT EXTENSION FOR END-USER
COMPUTING DEVICES AND SERVICES**
RFP No. 10003898

KEY ISSUE

Request to increase Purchase Order (PO) amount for Vendor of Record (VOR) agreement #10003898 to address increasing costs beyond the existing contract in support of the refresh program for end user devices and the supply of technology services.

RECOMMENDATION:

WHEREAS Toronto and Region Conservation Authority (TRCA) is engaged in a variety of programs/projects that require end-user computing devices and related services;

AND WHEREAS, at Board of Directors meeting held on June 23, 2017, TRCA received approval to adopt the Ontario Education Collaborative Marketplace (OECM) Master Agreement with three (3) vendors: CDW Canada, Compugen Inc. and Dell Canada Inc.;

AND WHEREAS at Board of Directors meeting held on November 19, 2021, TRCA received approval to extend the VOR arrangement with CDW Canada, Compugen Inc. and Dell Canada for an additional four (4) years, to November 1, 2025, at a total cost not to exceed \$3,900,000, plus applicable taxes;

AND WHEREAS staff are satisfied with the goods and services provided to date under the current contract;

AND WHEREAS staff are incurring increased costs and have, as a result, revised the estimate for the end user device refresh program and related services to the end of the current contract term;

THEREFORE, LET IT BE RESOLVED THAT TRCA staff be directed to increase the value of the Contract #10003898 by an additional \$600,000, plus applicable taxes, to account for additional costs incurred and forecasted costs through the contract's expiry on November 1, 2025;

AND FURTHER THAT authorized TRCA officials be directed to take whatever action may be required to implement the contract, including the obtaining of necessary approvals and the signing and execution of any documents;

AND THAT TRCA staff report back to the Executive Committee in September 2025 regarding planned purchasing approvals and expected costs associated with a future End User Master Agreement.

BACKGROUND

TRCA requires various technology hardware and services to conduct ongoing business operations. At the Board of Directors meeting held on June 23, 2017, Resolution #A111/17 was approved in part as follows:

“THAT Toronto and Region Conservation Authority (TRCA) execute and adopt the OECM Master Agreement with three (3) vendors: CDW Canada, Compugen Inc. and Dell Canada Inc., for the supply of various end-user computing devices and services, on an as-required basis, up to a total value of \$400,000 over a period of four years commencing with the signing of the agreement, with the option to extend the contract for an additional two or four years;”

In October 2020, OECM exercised their option to extend the End-User Computing Devices and Services Master Agreement for an additional four (4) years with a new term to November 1, 2025. The value of the contract was increased to \$3.9 million based on estimates for equipment orders at that time. At the Board of Directors meeting held on November 19, 2021, Resolution #B102/21 was approved in part as follows:

“THAT TRCA staff be directed to exercise their contractual right to extend the Vendor of Record (VOR) arrangement with CDW Canada, Compugen Inc. and Dell Canada for an additional four (4) years, to November 1, 2025, at a total cost not to exceed \$3,900,000, plus applicable taxes;”

RATIONALE

Since 2021, actual spending under Contract #10003898 has exceeded the previously approved ceiling of \$3.9 million. The increased expenditure is primarily due to the following factors:

- Greater-than-expected demand for equipment: TRCA experienced a sustained increase in device orders as a result of the shift to hybrid work, relocation of staff during the COVID-19 pandemic, and the move to the new head office at 5 Shoreham Drive.
- Ongoing technology migration and service needs: Significant technology upgrades and service support were required to facilitate the office relocation and ensure operational continuity across business units.
- Expansion of cybersecurity and data storage: Additional investments were made to support TRCA's growing cybersecurity program and storage infrastructure, reflecting evolving organizational needs.
- Rising hardware and device costs: Global supply chain disruptions and inflation led to a 20% to 35% increase in the cost of comparable devices and accessories since early 2021.

As a result of these factors, expenditures under the agreement have progressed more quickly than originally forecasted. Internal financial monitoring and procurement processes did not immediately detect that spending under Contract #10003898 had surpassed the previously approved ceiling. This delay was due in part to limitations in TRCA's current financial tracking systems, which rely on manual processes and periodic reporting. As a result, purchasing activity continued without triggering automated alerts or thresholds, and although the \$3.9 million ceiling was exceeded in October 2024, the full extent of the overage was only realized during a reconciliation exercise conducted by IT and Finance in Q1 2025.

While all purchases were aligned with approved divisional budgets and critical to ensuring continuity during major transitions, staff acknowledge that delays in consolidated reporting limited visibility into the total value of purchases made under the contract. Earlier awareness of cumulative spending would have supported a more timely escalation to the Board for approval.

Item 8.14

TRCA continues to require access to a reliable fleet of supported end-user devices and technology equipment. The continued use of the Contract #10003898 with vendors CDW Canada, Compugen Inc., and Dell Canada will allow TRCA to procure essential equipment including but not limited to:

- Computers;
- Monitors;
- Tablets;
- Accessories (e.g. keyboards, mice, etc.);
- Storage devices;
- Software and Licensing; and
- Replacement parts.

The proposed increase of \$600,000 will allow TRCA to continue making required purchases and maintain technology service delivery through to the contract's expiration on November 1, 2025.

NEXT STEPS

As part of this request and in preparation for the expiry of the current agreement, TRCA is undertaking a comprehensive review of its long-term technology needs and procurement strategies to support the development of a new End-User Computing Devices and Services Master Agreement. This includes a detailed market scan, internal needs assessment, and alignment with TRCA's broader digital transformation priorities. TRCA is developing and implementing new policies and procedures to ensure the application of best management practices related to the refresh of hardware and devices.

In parallel, TRCA is initiating a full review of its procurement processes to strengthen financial oversight and improve the visibility of contract utilization. This work will inform the development of more robust controls and reporting practices. In addition, TRCA is in the process of procuring a new enterprise resource planning (ERP) system to replace legacy platforms such as Lotus Notes, which have contributed to delayed financial reporting and limited integration. This critical investment will enable more timely, accurate, and organization-wide financial management and decision-making, reducing the risk of similar issues in the future.

Relationship to TRCA's 2023-2034 Strategic Plan

This report supports the following Pillars and Outcomes set forth in TRCA's 2023-2034 Strategic Plan:

Pillar 4 Service Excellence:

4.2 Provide and manage an efficient and adaptable organization

Pillar 4 Service Excellence:

4.4 Transparent decision making and accountable results

FINANCIAL DETAILS

To support the planned refresh of end-user equipment through to the contract expiry date of November 1, 2025, TRCA estimates the need for approximately 120 additional devices, along with monitors, peripherals, and related services.

An increase of \$600,000 to the contract value is required to accommodate these needs and ensure continued access to essential technology hardware and services. All expenditures will be funded through divisional operating budgets and the IT Capital program.

Ongoing use of the existing End-User Computing Devices and Services Master Agreement enables business efficiencies, streamlined procurement processes, and access to competitive VOR pricing.

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