

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Meeting #3/20, Friday, April 24, 2020

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **PROCUREMENT SUMMARY**
2019 Annual Summary

KEY ISSUE

Receipt of the 2019 summary of procurements approved by the Chief Executive Officer or Designate, Executive Committee, or the Board of Directors.

RECOMMENDATION

THAT the 2019 Procurement Summary Report (the Report) of Toronto and Region Conservation Authority (TRCA) for procurements approved in excess of \$10K in 2019 be received;

AND FURTHER THAT the Report continue to be provided to the Executive Committee on a yearly basis, with a link to the full list of procurements over \$10K available on the TRCA website.

BACKGROUND

At Authority Meeting #5/05, held on June 24, 2005, staff were requested to report to the Authority on contracts executed by TRCA in excess of \$10K. Pursuant to this resolution, a summary of awarded contracts in 2019 are included in Attachment 1. All contract revisions that were approved in 2019, including previously approved revisions associated with the contract, are recorded in Attachment 2.

At Board of Directors Meeting #8/18, held on October 26, 2018, the Procurement Policy (the Policy) was approved. Approval thresholds and purchasing methods (expense authorization) are included in Attachment 3. As permitted under the Policy, the Chief Executive Officer has designated senior staff to approve purchases up to \$10K which are not included in this summary report. Excluded from the summary report are goods and services exempt from procurement and purchase order approvals (these items are listed in Attachment 4). Attachment 5 lists the non-application criteria for goods and services exempt from public sector procurement guidelines. Attachment 6 includes the criteria for limited tendering procurement.

In accordance with resolution #A31/18 from Authority Meeting #2/18, held on March 23, 2018, the full list of procurements over \$10K has not been attached to the agenda and will be provided via a link to the TRCA website.

FINANCIAL DETAILS

The total value of procurements for TRCA in 2019, in excess of \$10,000 approved by the Chief Executive Officer or Designate, Executive Committee, or Board of Directors, was approximately \$46.4M (\$64.4M in 2018), including contingencies and excluding applicable taxes.

The decrease in the total value of approved procurements in 2019 can be attributed to fewer multi-year and large dollar value contracts executed in 2019. The number of Vendor of Record

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Arrangements established has also decreased from previous years.

As shown in Attachment 2, the total value of contract increases was \$6.9M and contract decreases due to scope changes was \$4.4M for a total net value of revisions equal to approximately \$2.5M. These contract increases and decreases are largely a result of changes associated with the East Don Trail construction project. Scope changes for the East Don Trail construction project are largely due to changing and unknown or challenging physical site conditions (e.g., seepage areas) reflecting the nature of the project within this environmentally sensitive and deeply incised valley.

In 2019, approximately 66% of approved contracts included a contingency in the range of 10-15% (Attachment 7). The total amount of contingency that was approved in 2019 was \$3.96M, of which approximately \$527K was used by the end of the year. Contracts that were approved in 2019 that are multi-year contracts may have an additional portion of the contingency used over the course of the contract term. Contingencies for new and multi-year contracts will continue to be formally tracked and reported on.

Report prepared by: Lisa Moore, extension 5846

Emails: lisa.moore@trca.ca

For Information contact: Lisa Moore, extension 5846

Emails: lisa.moore@trca.ca

Date: March 9, 2020

Attachments: 7

Attachment 1 – Summary of Procurements

Attachment 2 – Contract Revisions

Attachment 3 – Expense Authorization

Attachment 4 – Goods and Services Exempt from Procurement and Purchase Order Approvals

Attachment 5 – Non-Application Criteria

Attachment 6 – Limited Tendering Criteria

Attachment 7 – Contingency Summary