

LRT Governance Board Semi-Annual Report

Recommendation:

That the LRT Governance Board recommend to City Council:

That the LRT Governance Board semi-annual report, as outlined in the June 25, 2013, LRT Governance Board report CR_257, be received for information.

Report Summary

This report provides contract details and summarizes the number and value of tender-calls, sole source contracts, agreements, settlements, judgments, leases, land acquisitions and land dispositions which involve a revenue or expenditure of \$100,000 or greater."

Previous Council/Committee Action

At the May 21, 2013, LRT Governance Board meeting, the following motion was passed:

Part 1

1. That Administration prepare a draft semi-annual report pursuant to sections 6 on Bylaw 15659, The LRT Governance Board Bylaw, for circulation to board members on or before June 11, 2013.

Report

The LRT Board Governance Bylaw 15659, Part II, Establishment, Mandate, Duties and Authority, 6 (f) requires that:

"Subject to the provisions of this bylaw, all other City bylaws, and Provincial and Federal laws, the Board, in fulfilling its mandate, will ensure best practices are undertaken to prepare and submit to Council a semi-annual report summarizing the number of tender-calls, sole source contracts, agreements, settlements, judgments, leases, land acquisitions and land dispositions which involve a revenue or expenditure of \$100,000 or greater."

The vast majority of the City's agreements are established through open, competitive tender processes to ensure transparency and that value for money is obtained from the City's expenditures.

Pursuant to City Administration Bylaw 12005, tendered agreements of less than \$20 million and un-tendered agreements of less than \$500,000 can be approved by the City Manager. Tendered agreements \$20 million or greater, and un-tendered agreements \$500,000 or greater must be approved by the relevant Committee of Council.

For the period of January 1, 2013, through June 30, 2013, Administration approved three new agreements and extended the contract for the Owner's Engineer, for a total value of \$27,134,500. Attachment 1 provides additional information on all of the contracts and expenditures.

All tendered agreements follow the City's normal tendering guidelines and are open and accessible to interested vendors.

For un-tendered agreements, there are several reasons why the City may

forego the use of open tender processes and instead seek competitive quotations or negotiate directly with one or a small number of vendors, including:

- Where only one vendor is able to meet the requirements of the City (e.g. EPCOR Services, ATCO Gas Company, etc.).
- Where an unforeseeable situation of urgency exists and there is insufficient time to conduct a formal open tender process.
- Where the requirement is of a confidential nature and disclosure through an open tender process could compromise confidentiality, cause economic disruption or be contrary to the public interest.

Where agreements are not tendered, the City still ensures value for money by using limited competition (seeking more than one quotation) or alternatively through negotiating the best possible pricing and terms of agreement.

The Preliminary Engineering contract was awarded to AECOM Canada Ltd. (Prime consultant for a multi-consultant team branded as the ConnectED Transit Partnership) in October 2011, following a competitive City-run Request for Proposal process in 2011. With the conclusion of the preliminary engineering and the advancement of the Valley Line – Stage 1 Project to the Procurement Phase, the City negotiated an extension to the existing contract with AECOM, to assist with the development of the required procurement documentation and the execution of a Project Agreement with a P3 Design-Build-Finance-Operate-Maintain proponent. The preliminary engineering contract included provisions

that allowed for an extension of the contract if decided by the City. The City elected to exercise its option to negotiate with AECOM for the following reasons:

- Preliminary Engineering assignment delivered on-time and on-budget to a high-level of quality.
- Through the subsequently negotiated agreement with AECOM, the City has realized savings in a number of key areas including rates, start-up costs, continuity of key project team members, access to required additional expertise and resources and detailed project understanding.

The Process, Financial and Legal Advisory Services contracts were all procured competitively through a City-run Request for Proposal process. KPMG was the successful proponent for both the Process and Financial Advisors and consequently, the City negotiated a contract to combine the Process and Financial Advisory Services. The City has identified a preferred Legal Advisor and is now in the final stages of negotiations to conclude an agreement.

Policy

- LRT Governance Board Bylaw 15659
- City Administration Bylaw 12005

Corporate Outcomes

- Citizens use public transit and active modes of transportation.
- The City has well-managed and sustainable assets and services.

Budget/Financial Implications

Agreements entered into by the LRT Governance Board are within approved budgets.

Attachment

1. Summary of Contracts and Expenditures

Others Reviewing this Report

- L. Rosen, Chief Financial Officer and Treasurer