

MEETING DATE: December 9, 2002

SUBJECT: Purchase Order Amendment Authority - Technical Assistance For Information Technology Services

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RECOMMENDATION

It is recommended that the Commission authorize the issuance of Purchase Order Amendments for the Technical Assistance for Information Technology Services regarding the Global Technical Assistance contracts as follows:

1. Purchase Order Amendment Authority #3 to Purchase Order PC34673 to increase the upset limit by \$300,000 to a total upset limit of \$750,000 for Ajilon Canada,
2. Purchase Order Amendment Authority #3 to Purchase Order PC34692 to increase the upset limit by \$130,000 to a total upset limit of \$450,000 for GE Capital I.T. Solutions,
3. Purchase Order Amendment Authority #4 to Purchase Order PC34671 to decrease the upset limit by (\$610,000) to a total upset limit of \$3,040,000 for Ian Martin Information Technology Inc.,
4. Purchase Order Amendment Authority #3 to Purchase Order PC34672 to increase the upset limit by \$290,000 to a total upset limit of \$1,000,000 for IT/Net Consultants,
5. Purchase Order Amendment Authority #3 to Purchase Order PC34742 to increase the upset limit by \$100,000 to a total upset limit of \$200,000 for Pinstripe Consulting,
6. Purchase Order Amendment Authority #4 to Purchase Order PC34744 to increase the upset limit by \$40,000 to a total upset limit of \$320,000 for Project Management Recruiting,
7. Purchase Order Amendment Authority #3 to Purchase Order PC34693 to decrease the upset limit by (\$210,000) to a total upset limit of \$1,000,000 for Qlogitek; and
8. Purchase Order Amendment Authority #3 to Purchase Order PC34674 to decrease the upset limit by (\$40,000) to a total upset limit of \$450,000 for The Employment Solution (T.E.S.).

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FUNDING

Funding for these expenditures has been included in the approved TTC 2003 – 2007 Capital Program (7.1 & 7.2 Computer Equipment & Software, Pages 949-1065 inclusively) as approved by the Commission on November 15, 2002, and in the approved 2003 TTC Operating Budget. Funds will be included in future Capital and Operating Budgets as required.

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BACKGROUND

In April 2001, the Commission publicly advertised a Request for Proposal to provide technical assistance for a five-year period. Twenty-one responses were evaluated based on predetermined evaluation criteria and ranked accordingly. At the August 29, 2001 meeting, the Commission awarded five-year contracts to these firms, however only authorized funds for the first-year of the five-year contracts. The value of the initial purchase orders totalled \$5,200,000 and was split equally among the eight companies for an upset limit of \$650,000 each. It was impossible at the time of award to predict which company's candidates would be selected for pieces of work. As this was a new contract and concept, there was no history to allow staff to forecast trends. Consequently, each company was originally awarded a purchase order of equal value. As noted in previous Commission Reports, staff anticipated that Purchase Order Amendments would be required to re-allocate the funds as necessary.

This arrangement for obtaining temporary technical assistance from the recruitment agencies is referred to as the Global Technical Assistance process. This process has substantially reduced the administrative overhead when acquiring temporary technical assistance, while retaining an unbiased approach to selecting a supplier for each piece of work.

At its meetings of January 21, 2002 and April 10, 2002, the Commission approved Purchase Order Amendments to increase the upset limits of frequently used vendors and decrease the upset limits of less frequently used vendors. At the July 10, 2002 meeting, the Commission further approved amendments to the contracts that also included a second year increase of \$2,010,000, bringing the total upset limit value of the contracts related to the Global Technical Assistance to \$7,210,000.

DISCUSSION

In order to continue the Global Technical Assistance process from the period December 16, 2002 to August 30, 2003, staff is proposing changes to the upset limits for each of the eight firms (refer to Appendix A).

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In determining the amount of each increase or decrease, staff estimated the likely amount required from Dec 16, 2002 to August 30, 2003. The 2003 Capital Program includes approximately \$4.2 million for temporary contract technical assistance. It is also anticipated that approximately \$200,000 in operating funds will be spent on temporary contract technical assistance.

As has been described in previous Commission Reports, the process for selecting candidates and ensuring fairness to all companies is described in appendix 'B'.

All contracts related to the Global Technical Assistance will retain their August 30, 2006 completion date and the total upset limit for these contracts after these revisions will remain the same at \$7,210,000 for the first two years. Staff now have fifteen months of experience with this process, and feel that it is working well. It is staff's intention to return to the Commission each year for the duration of these contracts to seek authorization of funds for each subsequent year.

JUSTIFICATION

The recommended reallocation of upset limit contract values for contracts related to the Global Technical Assistance would allow the appropriate level of technical resources for approved Capital Projects and system maintenance to be obtained in an equitable and efficient fashion until August 30, 2003.

Staff will request additional Purchase Order Amendments to re-allocate or request additional funds as needed in accordance with the Commission's Authorization for Expenditure Policy.

November 29/02

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Attachment: Appendix 'A'

Appendix 'B'

Appendix A

PURCHASE ORDER AMENDMENT AUTHORITY –

TECHNICAL ASSISTANCE FOR INFORMATION TECHNOLOGY SERVICES

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Vendor	Current PO Value	Estimated Requirements to End of August 2003	Recommended PO Amendment	Percentage of Awards to Date
Ajilon Canada	\$ 450,000	\$750,000	\$300,000	16%
GE Capital I.T. Solutions	\$ 320,000	\$450,000	\$130,000	13%
Ian Martin Information Technology Inc.	\$ 3,650,000	\$3,040,000	(\$610,000)	36%
IT/Net Consultants	\$ 710,000	\$1,000,000	\$290,000	9%
Pinstripe Consulting	\$ 100,000	\$200,000	\$100,000	6%
Project Management Recruiting	\$ 280,000	\$320,000	\$40,000	5%
Qlogitek	\$ 1,210,000	\$1,000,000	(\$210,000)	6%
The Employment Solution (T.E.S.)	\$ 490,000	\$450,000	(\$40,000)	9%
Totals	\$ 7,210,000	\$7,210,000	(Net Change \$0)	100%

Appendix 'B'

SUMMARY OF GLOBAL TECHNICAL ASSISTANCE SELECTION PROCESS

PURCHASE ORDER AMENDMENT AUTHORITY –

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1. Need identified by Project Manager
2. I.T. Services Contract Administrator contacts all 8 companies, providing job details, required skills/qualifications – requests up to 2 candidates per company – up to 3 days to respond.
3. Those "offered up" candidates submitted to originator for review, interview and selection.

No details about the company are provided and originators/selectors are not permitted to ask this.

4. Selection approved by Chief Information Officer (CIO), Deputy CIO or I.T. Services Director.

The procurement process established the 8 companies that are under contract.

The selection process remains competitive and ensures the best candidate is selected at the best price.