

**MEETING DATE: March 19, 2003**

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

**RECOMMENDATION**

It is recommended that the Commission authorize;

- a. The issuance of Purchase Order Amendments for the Technical Assistance for Information Technology Services regarding the Global Technical Assistance contracts to December 31, 2003 as follows;
  1. Purchase Order Amendment Authority #4 to Purchase Order PC34673 to increase the upset limit by \$1,080,000 to a total upset limit of \$1,830,000 for Ajilon Canada,
  2. Purchase Order Amendment Authority #6 to Purchase Order PC34692 to increase the upset limit by \$792,000 to a total upset limit of \$1,182,000 for GE Capital I.T. Solutions,
  3. Purchase Order Amendment Authority #5 to Purchase Order PC34671 to increase the upset limit by \$2,232,000 to a total upset limit of \$5,272,000 for Ian Martin Information Technology Inc.,
  4. Purchase Order Amendment Authority #6 to Purchase Order PC34672 to increase the upset limit by \$1,224,000 to a total upset limit of \$2,279,000 for IT/Net Consultants,
  5. Purchase Order Amendment Authority #5 to Purchase Order PC34742 to increase the upset limit by \$432,000 to a total upset limit of \$637,000 for Dean Technical (formerly Pinstripe Consulting),
  6. Purchase Order Amendment Authority #5 to Purchase Order PC34744 to increase the upset limit by \$432,000 to a total upset limit of \$752,000 for Project Management Recruiting,
  7. Purchase Order Amendment Authority #5 to Purchase Order PC34693 to increase the upset limit by \$288,000 to a total upset limit of \$1,258,000 for Qlogitek; and

8) Purchase Order Amendment Authority #5 to Purchase Order PC34674 to increase the upset limit by \$720,000 to a total upset limit of \$1,200,000 for The Employment Solution (T.E.S.); and

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- a. The extension of the termination dates of the above contracts from August 31, 2006 to December 31, 2006.

## **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 City Council on February 26, 2003, 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, April 10, 2002 and Dec 9, 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.

In January and February 2003, staff approved minor purchase order amendments. In order not to exceed the total approved value of \$7.2 million, each amendment that increased a vendor's contract upset limit was offset by an additional amendment decreasing the value of another vendor's contract upset limit.

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**PURCHASE ORDER AMENDMENT AUTHORITY**

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**DISCUSSION**

Staff has reassessed the Global Technical Assistance (GTA) requirements for the period ending December 31, 2003 and are proposing changes to the upset limits for each of the eight firms (refer to Appendix A).

In determining the amount of the increase to each GTA contract, staff estimated the likely total amount required to December 31, 2003. This was based on the approved 2003 Capital and Operating Programs. Contracts are currently authorized to August 31, 2003. We are requesting an extension of the current contracts from August 31 to December 31, 2003, to coincide with the approved budget timelines. A total increase of \$7.2 million is required to the allocation for the GTA contracts bringing the total value to \$14,410,000 for the period up to December 31, 2003. All future requests will be in line with the approved January to December Capital Budget cycle. We are also including \$200,000 in operating funds, for temporary contract technical assistance in 2003. Sufficient funds have been included in the approved 2003 Capital and Operating budgets for this expenditure.

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

Staff is also requesting that all contracts related to the Global Technical Assistance have their final expiry dates extended four months to December 31, 2006, to match approved budget timelines. The total overall value of \$20.2M will remain as originally forecast on August 29, 2001. Staff is continuing to gain experience with the contracts and is refining the process to obtain maximum value and staff considers that it is working well.

It is staff's intention to return to the Commission each year to seek authorization of funds for each subsequent year. Any interim Purchase Order Amendments to re-allocate or

request additional funds as needed, will be processed in accordance with the Commission's Authorization for Expenditure Policy.

**JUSTIFICATION**

The recommended increase in the allocation of the upset limit contract values for contracts related to the GTA will allow the appropriate level of technical resources for approved Capital Projects and system maintenance to be obtained in an equitable and efficient fashion until December 31, 2003.

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March 19/03

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Attachment: Appendix 'A'

Appendix 'B'

**Appendix A**

**PURCHASE ORDER AMENDMENT AUTHORITY –**

**TECHNICAL ASSISTANCE FOR INFORMATION TECHNOLOGY SERVICES**

March 19, 2003

<b>Vendor</b>	<b>Current PO Value</b>	<b>Revised PO Value *</b>	<b>Recommended PO Amendment</b>	<b>Percentage of Awards to Date</b>
Ajilon Canada	\$ 750,000	\$ 1,830,000	\$ 1,080,000	15%
GE Capital I.T. Solutions	390,000	1,182,000	792,000	11%
Ian Martin Information Technology Inc.	3,040,000	5,272,000	2,232,000	31%
IT/Net Consultants	1,055,000	2,279,000	1,224,000	17%
Dean Technical (formerly Pinstripe Consulting)	205,000	637,000	432,000	6%
Project Management Recruiting	320,000	752,000	432,000	6%
Qlogitek	970,000	1,258,000	288,000	4%
The Employment Solution (T.E.S.)	480,000	1,200,000	720,000	10%
<b>Totals</b>	<b>\$ 7,210,000</b>	<b>\$14,410,000</b>	<b>\$7,200,000</b>	<b>100%</b>

\* Includes Estimated Requirements to End of December 2003

**Appendix 'B'**

**SUMMARY OF GLOBAL TECHNICAL ASSISTANCE SELECTION PROCESS**

**PURCHASE ORDER AMENDMENT AUTHORITY –**

**TECHNICAL ASSISTANCE FOR INFORMATION TECHNOLOGY SERVICES**

**March 19, 2003**

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.

Human Resources have been invited to participate in the interviews as of Feb 2003.

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

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

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