

MEETING DATE: February 25, 2004

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

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RECOMMENDATION

It is recommended that the Commission authorize;

1. Purchase Order Amendment Authority #9 to Purchase Order PC34673 to decrease the upset limit by \$244,900 to a revised total upset limit of \$1,585,100 for Ajilon Canada,
2. Purchase Order Amendment Authority #11 to Purchase Order PC34692 to decrease the upset limit by \$469,700 to a revised total upset limit of \$432,300 for GE Capital I.T. Solutions,
3. Purchase Order Amendment Authority #10 to Purchase Order PC34671 to increase the upset limit by \$59,700 to a revised total upset limit of \$5,331,700 for Ian Martin Information Technology Inc.,
4. Purchase Order Amendment Authority #11 to Purchase Order PC34672 to increase the upset limit by \$755,300 to a revised total upset limit of \$3,314,300 for IT/Net Consultants,
5. Purchase Order Amendment Authority #8 to Purchase Order PC34742 to decrease the upset limit by \$204,700 to a revised total upset limit of \$432,300 for Dean Technical (formerly Pinstripe Consulting),
6. Purchase Order Amendment Authority #8 to Purchase Order PC34744 to decrease the upset limit by \$319,700 to a revised total upset limit of \$432,300 for Project Management Recruiting,
7. Purchase Order Amendment Authority #8 to Purchase Order PC34693 to increase the upset limit by \$183,000 to a revised total upset limit of \$1,441,000 for Qlogitek; and
8. Purchase Order Amendment Authority #8 to Purchase Order PC34674 to increase the upset limit by \$241,000 to a revised total upset limit of \$1,441,000 for The Employment Solution (T.E.S.).

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FUNDING

Sufficient funding for these expenditures has been included in Program 7.1 and 7.2 Computer Equipment and Software, pages 1167 - 1309 inclusively, of the 2004 to 2008 TTC Capital Program, as approved by the Commission on January 21, 2004.

Funds have also been included in the proposed 2004 TTC Operating Budget and will be provided for in future 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 ending December 31, 2006. 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 the eight firms listed on the attached Appendix A, however funds were authorized for only 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.

Each year staff reassesses the requirements for these contracts and requests adjustments on the basis of the number and value of existing assignments previously awarded and new assignments awarded to the firms each year arising out of new projects approved in the Capital Budget. Since 2001, staff has received approval from the Commission to amend the values of the contracts based on actual assignments awarded to the firms, as well as increase the values of the contracts for additional new assignments (see Appendix A for details). The selection process for awarding assignments is summarized on the attached (Appendix B).

At its meeting of March 19, 2003, the Commission approved increases to the eight contracts based on a forecast of requirements out to December 31, 2003, which raised the total value of the eight contracts to \$14,410,000. Based on actual commitments and expenditures to date, it is considered that this total amount will be sufficient to last until May or June 2004, therefore no additional funds are required to be authorized at this time.

In the March 19, 2003 report, staff also noted its 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. The contract termination date for each contract is December 31, 2006.

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DISCUSSION

Presently there are forty-three contractors working on various assignments that were awarded based on the qualifications of the vendors' staff. The value of each assignment varies depending on the type of resource required and the duration of the assignment. In addition, some assignments have taken longer than originally anticipated and need to be extended.

As a result of the actual distribution of the various assignments to the eight firms and a forecast of probable assignments based on historical trends, staff is now requesting the redistribution of funds between these firms as detailed on (Appendix A) but is not requesting an increase to the overall value of the contracts at this time.

Presently staff is reassessing its plans for the remainder balance of the contracts period ending December 31, 2006, based on the 2004 – 2008 Capital Program and will be returning to the Commission by June 2004 requesting approval to increase the value of the contracts once those plans are finalized.

The impact of not approving this reallocation of funds will compromise staff's ability to select the best-qualified candidates for ongoing and future Information Technology work requirements at the lowest cost.

JUSTIFICATION

The reallocation of funds requested will allow Information Technology Services to continue with the technical assistance committed through the existing contracts, so that the work is not compromised.

February 6, 2004

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Attachments: Appendix 'A'

Appendix 'B'

Appendix A

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PURCHASE ORDER AMENDMENT AUTHORITY –

TECHNICAL ASSISTANCE FOR INFORMATION TECHNOLOGY SERVICES

February 25, 2004

Vendor	Initial PO Value	Value of Previously Approved Amendments	Current PO Value	Recommended PO Amendment	Revised PO Value	Percentage of Awards to Date
Ajilon Canada	\$650,000	\$1,180,000	\$ 1,830,000	-\$244,900	\$ 1,585,100	11%
GE Capital I.T. Solutions	650,000	252,000	902,000	-469,700	432,300	3%
Ian Martin Information Technology Inc.	650,000	4,622,000	5,272,000	59,700	5,331,700	37%
IT/Net Consultants	650,000	1,909,000	2,559,000	755,300	3,314,300	23%
Dean Technical (formerly Pinstripe Consulting)	650,000	-13,000	637,000	-204,700	432,300	3%
Project Management Recruiting	650,000	102,000	752,000	-319,700	432,300	3%
Qlogitek	650,000	608,000	1,258,000	183,000	1,441,000	10%
The Employment Solution (T.E.S.)	650,000	550,000	1,200,000	241,000	1,441,000	10%
Totals	\$5,200,000	\$9,210,000	\$ 14,410,000	\$0	\$14,410,000	100%

Appendix 'B'

SUMMARY OF GLOBAL TECHNICAL ASSISTANCE SELECTION PROCESS

PURCHASE ORDER AMENDMENT AUTHORITY –

TECHNICAL ASSISTANCE FOR INFORMATION TECHNOLOGY SERVICES

February 25, 2004

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.