

TORONTO TRANSIT COMMISSION

DATE: September 27, 2012

SUBJECT: NOTICE OF AWARD - PROCUREMENT AUTHORIZATION
AMENDMENT – INFORMATION TECHNOLOGY PLACEMENT
FIRMS FOR TECHNICAL SERVICE ASSISTANCE

INFORMATION

RECOMMENDATION

It is recommended that the Commission receive the notice of award of Chair Karen Stintz, Vice Chair Glenn De Baeremaeker and the Chief Executive Officer authorizing the issuance of amendments to increase the total upset limit amounts to eight of the existing seventeen (17) contracts, expiring December 31, 2013, for the provision of technical assistance for information technology projects as illustrated on the attached Appendix A. This would result in the increase of \$10,218,000 to the overall total amount for all contracts combined, from \$14,999,000 to \$25,217,000

Refer to the attached Appendix "A" for details regarding the original contract values, previous amendments and the revised contract values.

FUNDING

Sufficient funding for these expenditures has been included in Program 7.1 Computer Equipment and Software Corporate Systems and 7.2 Computer Equipment and Software Intelligent Transportation and Technical Systems as set out on pages 1205 to 1402 inclusively of the 2011 to 2014 TTC Capital Program, approved by City Council on January 17, 2012.

Funds have also been included in the 2012 TTC Operating Budget and will be provided for in future Operating Budgets as required.

BACKGROUND

At its meeting of July 14, 2010, the Commission approved the revisions and updates to the Authorization for Expenditures and Other Commitments Policy, effective August 1, 2010, which states that '*The Commission delegates authority to the Chair, Vice-Chair and the Chief Executive Officer to authorize items that would normally be authorized by the Commission when the approval is required before the next Commission meeting. If the Chair and/or Vice-Chair are not available, authority would be deemed to be delegated to any two (2) Commissioners and the Chief Executive Officer.*' These authorizations are to

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be followed up by a notice of award Commission report that is to be submitted to the next scheduled Commission meeting for information.

The TTC's Information Technology Services Department (ITS) supports extensive computer systems and communications infrastructure throughout TTC's operations. This group is responsible for a full range of system development and "state of good repair" Capital projects. The permanent ITS staff for these activities is limited and it is necessary to supplement staff with technical expertise from external sources to meet their systems projects requirements which are part of the approved Capital Program. Consequently, staff requires the services of Information Technology Placement Firms to provide qualified resources on an as required basis for various TTC IT projects for periods ranging from 3 to 36 months.

Since 2001 these types of contracts have provided IT the flexibility to secure resources in a timely manner. The expertise these resources provided have either augmented current staff's knowledge or provided specific expertise that IT staff does not possess. In large measure the contract supports the requirement for short duration (3 months to 2 years) contractors with specialized skills. Where appropriate, staff continue to assess requirements lasting longer than 2 years to identify whether the requirement would be better served with a temporary employee or if the need justified a permanent staff resource.

In September 2010 the City issued a Request for Expression of Interest (REOI) process, which was publicly advertised on the City's website. The purpose of the REOI was to establish a roster of technical resources to supply professional services for individual IT projects. The required work was divided into six categories of which the TTC only required services in four (Standard Services, Document /Information Management Services, Data Warehousing and Geospatial Service). The approach used by the City was similar to the process the Commission had been using for approximately ten years. As a result, it was decided not to proceed with a TTC RFP; rather staff joined with the City for the supply of the required services.

Contracts were awarded to seventeen (17) vendors in August 2011 with upset limit amounts based on anticipated service requirements at the time. During the contract term, staff monitored expenditures with each company and based on the value of the existing work assignments for the required projects, amendments were processed to reallocate funds among the seventeen (17) vendors (refer to the attached entitled, Appendix A under "Previously Authorized Amendments"). These amendments were performed under staff authority in accordance with the TTC's Authorization for Expenditures and Other Commitments Policy 13.5.9 section 3.6.

DISCUSSION

Since the award of these Contracts in August 2011, anticipated work assignments have increased and additional funds are required to maintain this program and continuity of projects at the TTC. These requirements exceeded the original forecast in August 2011 as some capital projects and expenditures for the required contract services continued to rise. Staff continue to experience high demand for Technical Assistance Programs and it is anticipated that work assignments will continue at their current levels over the next year resulting in a requirement for additional funds.

The additional funds required are based on the number of work assignments awarded to each company (refer to the attached entitled Appendix B – Work Assignment Process), and the forecasted requirements for continuing projects for which staff have approvals until March 31, 2013. Any new or extended projects arising after March 31, 2013 will be assessed. If additional external technical expertise is required for successful project execution, additional contract amendments/increases will be requested.

Staff recommends an increase to eight (8) contracts in the upset limit amounts as listed on the attached entitled Appendix A.

JUSTIFICATION

The request for additional funding will allow ITS to continue with the technical assistance required to complete existing assignments such that the work is not compromised, and allow for new projects to proceed on schedule.

July 9, 2012
14-30-48

Attachments: Appendix A & B

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APPENDIX A

Vendor	Original Upset Limit	Previously Authorized Amendments	Recommended Amendments	REVISED Upset Limit
ADGA	\$1,350,000	\$2,500,000	\$3,500,000	\$7,350,000
Bevertec CST Inc.	\$1,582,000	\$332,000	\$818,000	\$2,732,000
Calian	\$1,275,000	-\$1,250,000	\$0	\$25,000
Deloitte Inc.	\$182,000	-\$157,000	\$0	\$25,000
Eagle	\$1,350,000	-\$1,180,000	\$90,000	\$260,000
ESRI	\$125,000	-\$100,000	\$0	\$25,000
GSI	\$1,275,000	\$160,000	\$1,300,000	\$2,735,000
Ian Martin IT	\$1,582,000	\$2,500,000	\$3,000,000	\$7,082,000
IMEX	\$75,000	-\$50,000	\$0	\$25,000
iVedha	\$125,000	-\$100,000	\$0	\$25,000
KPMG	\$182,000	-\$157,000	\$0	\$25,000
Open Text	\$107,000	-\$82,000	\$0	\$25,000
Procom	\$1,350,000	\$130,000	\$720,000	\$2,200,000
S.I. Systems	\$1,275,000	-\$870,000	\$185,000	\$590,000
Sani-International	\$125,000	-\$100,000	\$0	\$25,000
Sierra	\$1,582,000	-\$1,576,000	\$0	\$6,000
T.E.S.	\$1,457,000	\$0	\$605,000	\$2,062,000
Total	\$14,999,000	\$0	\$10,218,000	\$25,217,000

APPENDIX B WORK ASSIGNMENT PROCESS

1. Need identified by Project Manager for budgeted project
2. Requisition approved by Director – Client Services
3. I.T. Services System Contract Administrator (ITSCA) contacts qualified companies for the applicable category and provides job details (scope of work duration of assignment) and required skills/qualifications and requests up to 3 candidates per company. Companies have up to 3 days to respond.
4. The proposed candidates' resumes/hourly rates are submitted to the ITSCA, who forwards the information to the originator for review, interview and selection. Human Resources are invited and may participate in the interviews. The evaluation of candidates is conducted as follows:
 - a. Mandatory Requirements (pass / fail). Candidates that pass are evaluated.
 - b. Candidates are rated based on their technical qualifications. Technical Submission (85% weighted) – candidates must achieve a minimum score of 70% in order to be considered qualified.
 - c. Interviews are conducted with technically qualified candidates.
 - d. Price – Hourly Rates are evaluated (15% weighted).
 - e. The highest overall rated candidates is recommended for the assignment.
5. The recommended selection is approved by Director – Client Services or Head of Information Technology.
6. The Commission's Materials & Procurement Department conducts periodic Administrative / process audits of these contracts and provides the results to the Head of Information Technology of TTC. Internal Audit may also perform periodic audits of the contracts and processes.