



Delegation of Authority Exercised During the Election Recess

Date: December 8, 2022
To: TTC Board
From: Chief Financial Officer

Summary

This report provides the TTC Board with the disposition of all exercised authorities delegated to the Chief Executive Officer and relevant TTC officials during the Board Recess period to ensure the continuity of critical and time-sensitive TTC operating and capital activities in the event of the TTC's need to respond to health and unplanned emergencies; to continue operations and capital project delivery; and to secure intergovernmental funding opportunities.

The delegated authorities were in effect following the July 14, 2022 Board meeting, and remained in effect until December 8, 2022, the first scheduled TTC Board meeting of the new term.

Six new contracts were awarded and five existing contracts were amended to ensure the continuation of TTC operations and the delivery of approved capital projects during the Board Recess period. Each contract was valued under the \$20.0 million approved limit and approved by the Chief Executive Officer.

Financial Summary

Funding for the contract awards and amendments outlined in this report has been approved in the 2022-2031 Capital Budget and Plan and 2022 Operating Budget by the TTC Board on December 21, 2021 and by City Council on February 17, 2022. The 2023 expenditure requirements have been accommodated in the TTC's 2023 Operating Budget and 2023-2032 Capital Budget and Plan submissions, with no incremental impacts.

The Chief Financial Officer has reviewed and approved this report and agrees with the financial impact information.

Equity/Accessibility Matters

The TTC is committed to promoting and supporting diversity and inclusion as well as removing barriers in all corporate policies, procedures, processes, programs and services in order to reflect and respond to the needs of employees, contractors and customers.

Decision History

At its July 14, 2022 meeting, the TTC Board delegated its authority to the Chief Executive Officer and relevant TTC officials during the Board Recess period until the first meeting of the Board's new term to ensure the continuity of critical and time-sensitive TTC operating and capital activities, providing delegated authority to approve procurements in the event of the TTC's need to respond to health and unplanned emergencies, and for the continuation of operations and capital project delivery as well as to secure intergovernmental funding opportunities.

[Delegation of Authority during the Board Recess \(azureedge.net\)](#)

Similarly, Toronto City Council provides delegated authorities to City officials to maintain City business during a Council recess while a municipal election is underway. The last report of this nature was EX36.4 Delegation of Authority for the Remainder of the 2014-2018 Council term.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX36.4>

Issue Background

At its July 14, 2022 meeting, the TTC Board delegated its authority to the Chief Executive Officer and relevant TTC officials during the Board Recess period until the first meeting of the Board's new term to ensure the continuation of the following critical and time-sensitive TTC operating and capital activities:

1. Emergency Provisions:

- Up to \$15.0 million to implement any measures necessary to protect the health and safety of its employees, riders and the public in the event of a resurgence of COVID-19 or its variants; and
- Respond to an emergency, defined as any situation of extreme urgency brought about by unforeseeable events that makes the procurement of goods and services necessary to address an immediate risk to health, safety, security, cybersecurity, property, the environment or other public interests of the TTC and/or City.

2. Procurements for the Continuation of Operations and Capital Delivery:

- Up to \$20 million to award and/or amend contracts necessary to ensure the continuation of TTC operations and the delivery of approved capital projects, subject to confirmation of available funding and the completion of a fair, competitive procurement process in accordance with TTC procurement policies and practices.

3. Intergovernmental Funding Opportunities:

- Together with the TTC Chair, and in consultation with the CFO, enter and/or execute transfer payments/funding agreements with other orders of government, or its agencies, to:
 - Take actions to preserve the TTC's ability to secure intergovernmental funding or financing opportunities that may arise, including entering into any necessary agreements with other levels of government to receive such funding.
 - Flow the total of \$360 million in funding included in the TTC's 2022-2031 Capital Budget and Plan for the TTC Streetcar Program and/or Bloor-Yonge Capacity Improvements project. This provided standing authority beyond the Board Recess period.

4. Report Back:

- The CEO or designate to report to the first Board meeting of the new term on the exercise of any delegated authority.

TTC Policy 6.5.1 Authorization for Expenditures and Other Commitments

Section 3.0 – Delegation - sets out the approval amounts and exception statements.

3.6 The Board delegates authority to the Chair, Vice-Chair and CEO to authorize items that would normally be authorized by the Board when the approval is required prior to the next Board meeting. If the Chair and/or Vice-Chair are not available, authority would be deemed to be delegated to any two Board members and the CEO. These authorizations are to be followed up by a notice of award report that is to be submitted to the next scheduled Board meeting for information.

Any items for which authority has not been delegated through the approval of the report recommendations would be submitted for approval to the CEO, Chair and Vice-Chair as set out in the policy. The approval process is outlined below:

Approval Process

- Staff advise Commission Services and the CEO's Office that a matter requires approval under delegated authority;
- Staff prepare a standard Board report for the matter; the report follows all normal internal sign-off requirements with the exception that it is distributed under a Pre-Approval Staff Summary Sheet (SSS). The pre-approval SSS includes separate lines for approval by the CEO, Chair and Vice-Chair;
- Once the report is fully approved internally, it is presented to the CEO for his approval;
- Once CEO approval is obtained, the Director – Commission Services will work with the Chair and Vice-Chair to establish a briefing meeting. The briefing is used to advise of the nature of the report, key details and to obtain approval. The report is pre-circulated to the Chair and Vice-Chair; if they are satisfied with the content, they are able to forego the briefing; and
- Once approved, the Commission will post the report online; the report is also included on the agenda of the inaugural meeting as a Notice of Award for the Board's information.

Comments

Procurement Authorizations

Emergency Provisions

- *COVID-19 Health and Safety Response*
- *Response to Unforeseen Emergencies*

No procurements were authorized to respond to COVID-related health and safety measures or unforeseen emergencies during the Board Recess period.

Continuation of Operations and Capital Project Delivery

During the Board Recess period, a total of six new contracts were awarded and five existing contracts were amended, primarily to exercise option year terms required for the delivery of approved capital projects, and the continuation of TTC operations. The contract awards provided the TTC with critical winter maintenance and security services, as well as the supply of vehicle body parts, brakes and HVAC systems necessary for the ongoing maintenance of the TTC's fleet. In addition, a contract was awarded for professional resources to support the New Subway Train procurement.

The award amendments enable the TTC to ensure the continued supply of laptops and desktops for staff; banking services for the TTC's PCard program; the supply of

uniforms and work clothing; and professional services to complete the TTC's ridership reacquisition campaign.

Please refer to Appendix 1 for a list of all awarded contracts and Appendix 2 for a list of all contract amendments approved during the Board Recess period, with each appendix summarizing the individual procurements authorized.

All awarded and amended contracts were approved by the Chief Executive Officer, in consultation with the Chief Financial Officer confirming approved funding. The TTC's Executive Contract Review Committee (ECRC), with membership comprised of the Chief Financial Officer, General Counsel and Chief Capital Officer, and supported by the Head of Procurement and Category Management, reviewed all procurements falling within the Board-delegated financial thresholds to ensure fair and competitive procurement processes were completed in accordance with TTC procurement policies and practices. No contracts were awarded above the \$20.0-million approval limit.

Intergovernmental Funding Opportunities

No Intergovernmental Funding agreements were executed during the Board Recess. As noted above, a standing authority was authorized at the July 14, 2022 TTC Board meeting to execute tri-partite, intergovernmental funding agreements required with the Government of Canada and the Province of Ontario for the TTC Streetcar Program in order to flow the total of \$360 million in funding included in the TTC's 2022-2031 Capital Budget and Plan.

The TTC is in the process of finalizing the transfer payment agreement with Provincial partners for the TTC Streetcar Program (the purchase of 60 new, accessible streetcars). As reported in May 2021, the TTC received \$180 million funding commitment from the Provincial government, and the transfer payment agreement reflects the standard intergovernmental agreements and will outline the general Terms and Conditions, including project information, timelines, budget and milestones, as well as agreed upon claim and payment procedures and government reporting requirements.

Contact

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Signature

Josie La Vita
Chief Financial Officer

Attachments

Appendix 1 – Summary of Contract Awards
Appendix 2 – Summary of Contract Amendments

Appendix 1 – Summary of Contract Awards

Bid/Call Number	Summary	Contract Award Value	Contract Term	Contract Award Value - Expenditures by Year						Successful Bidder/Vendor	CEO approval Date
				2022	2023	2024	2025	2026	2027		
1 T06AE22241	Award a contract to Bombardier for the supply of 35 new HVAC units in the total amount of \$6,380,902.48 inclusive of applicable taxes on the basis of only compliant bid received. These HVAC units will be used to increase the supply of spares (floats) as the streetcar fleet undergoes an overhaul of the HVAC system to maintain the integrity and reliability of the system. Ensuring that there are available floats will ensure that streetcars return to service immediately, minimizing disruptions.	\$6,380,902.48	Scheduled delivery of all 35 units by December 21, 2023		\$ 3,190,451.24	\$ 1,595,225.62	\$ 1,595,225.62			Bombardier	October 19, 2022
2 P52CF22476	Based on a competitive RFP, award contracts for a five-year term to three vendors for winter maintenance services including snow clearing, snow removal, and salting across various departments and locations including TTC garages, Markham bus loops, Wheel Trans hubs and commuter parking lots. The contracts include two optional one-year extensions for a total contract term of up to 7 years.	\$16,759,000 split among 6 contracts with 3 suppliers	November 2022 to November 2027	\$ 399,577.96	\$ 3,211,666.58	\$ 3,300,908.11	\$ 3,386,687.95	\$ 3,482,881.84	\$ 2,977,277.56	1. Jimricks \$4,353,000 Bus Garage Region 1 – West 2. Jimricks \$3,456,000 Bus Garage Region 3 – East 3. Forest Ridge \$584,000 Wheel Trans Hubs 4. Forest Ridge \$353,000 Markham Bus Loops 5. Across Canada \$2,550,000 Bus Garage Region 2 – South 6. Across Canada \$5,463,000 CAD for Commuter Parking Lots	November 11, 2022
3 P76SG20934	Based on a competitive process under Master Service Agreement (MSA) No. P76SG20934, award a contract for a three-year term to Hatch Ltd. for professional services to support the new subway train procurement in the upset limit amount of \$5,221,983.39 inclusive of all applicable taxes. The new subway train procurement will be using the expertise and resources of external service providers throughout the program's life cycle; Hatch will provide individuals for the following roles: Lead Consulting Engineer/System Integrator, Senior Mechanical/Structural Engineer, Senior Electrical Engineer, and other subject matter experts.	\$5,221,983.39	November 2022 to December 31, 2025	\$ 184,841.96	\$ 1,083,503.57	\$ 1,744,523.44	\$ 2,209,114.42			Hatch Ltd.	November 24, 2022
4 M06BF22330	Based on a competitive bid, award seven contracts for a three-year term for the supply of Bus brake parts including, brake systems, disc, cylinders. These are TTC inventoried parts used to maintain and repair TTC's fleet of buses.	\$8,325,000 split among 7 contracts with 7 suppliers	December 2022 to December 2025	\$ 114,000.00	\$ 2,732,000.00	\$ 2,772,000.00	\$ 2,707,000.00			1. CBM NA INC \$5,164,000 2. Neopart Transit LLC \$1,180,000 3. Fraser Tool & Gauge LLC \$1,028,000 4. Performance Equipment Ltd. O/A Vision Truck Group \$666,000 5. Prevost, a division of Volvo Group Canada Inc. \$246,000 6. Ashcon International Inc. \$36,000 7. Brandt Tractor Ltd. Truck & Trailer \$5,000	November 11, 2022
5 P81AD22504	Based on a competitive bid, award a contract for a five-year term for Security Guard Services to Neptune Security Services Inc. in the total amount of \$15,100,000 including applicable taxes. The contract	\$15,100,000	December 2022 to December 2027	\$ 40,404.26	\$ 2,949,993.60	\$ 2,985,238.21	\$ 3,020,482.80	\$ 3,055,727.41	\$ 3,048,153.73	Neptune Security Services	November 29, 2022
6 M06BL22332	Based on a competitive bid, award seven contracts for a one-year term for the supply of genuine OEM Cummins parts including injectors, compressors, pumps, gaskets, turbo chargers. These are TTC inventoried parts used to maintain and repair TTC's fleet of Nova and Orion buses.	\$21,027,000 split among multiple vendors	January 2023 to January 2024		\$ 21,027,000.00					1. Brandt Tractor Ltd. - Truck & Trailer \$11,350,000 2. Rush Truck Centres of Canada Limited \$4,158,000 3. Mississauga Bus Coach and Truck Repairs Inc. \$2,754,000 4. CBM NA. Inc. \$1,577,000 5. City View Bus Sales and Service Ltd. \$1,030,000 6. Neopart Transit LLC \$76,000 USD (which is equivalent to \$104,000 CAD). 7. North American Transit Supply Corporation \$54,000	November 30, 2022

Appendix 2 – Summary of Contract Amendments

Bid/Call Number	Summary	Amendment Value	Revised Contract Value	Contract Term	Contract Amendment Value - Expenditures by Year				Successful Bidder/Vendor	CEO approval Date
					2022	2023	2024	2025		
1 C25PZ21472 / PU528342	Exercise the optional one-year extension with CompuCom Canada from September 20, 2022 to September 19, 2023 and increase the contract value by \$3,585,000.00 (incl. HST) for the supply of desktops, notebooks, tablet PCs and related products & services. This contract allows TTC to continue its asset lifecycle refresh program which equips the TTC workforce with work and productivity tools to conduct their day-to-day job responsibilities, to replace aging devices, and to move towards mobility to support the ModernTO initiative. This contract leverages the City of Toronto (CoT) contract, which allows the TTC to leverage the same terms, conditions, and pricing. The CoT has exercised its option to extend its contract for the additional year; as the contracts co-terminate a joint procurement is planned in Q1 2023 for future needs.	\$ 3,585,000	\$ 7,705,000	1-year extension (from September 20, 2022 to September 19, 2023)	\$ 800,000.00	\$ 2,785,000.00			CompuCom Canada Co.	September 20, 2022
2 OSS-00559105 / PU370753	Exercise the first 2-year extension option (from March 31, 2023 to March 31, 2025) and add \$13,500,000 to cover expenses under the Purchasing Card program during the two year optional extension. One final two-year extension option remains.	\$ 13,350,000	\$ 36,718,000	2-year extension (from March 31, 2023 to March 31, 2025)		\$ 5,003,457	\$ 6,776,235	\$ 1,720,308	BMO	November 30, 2022
3 T03CB18255 / PU405841	Exercise the final extension year option from December 31, 2022 to December 31, 2023 for Uniform garments and increase contact amount by \$564,498.26. This increase, along with the previous increases for prior optional extension years, results in a cumulative amendment value of \$3,064,498.26 and a revised total contract amount of \$4,364,498.26. This uniform contract provides operator, supervisory and maternity uniform suits consisting of blazers, pants, blouses and shorts.	\$ 564,498.26	\$ 4,364,498	1-year extension (December 31, 2022 to December 31, 2023)		\$ 564,498.26			The Uniform Experts North America	November 30, 2022
4 P08BK17389 / PU341603	Exercise the final contract extension option from December 31, 2022 to December 31, 2023 with Mark's Commercial Inc. and increase the contract amount by \$1,010,000 for the continued supply of work clothing garments to eligible TTC Union and Non-Union employees, including long and short sleeve shirts, work pants, coveralls, tee-shirts, overalls, white overalls, white coats, white pants, smocks, machinist coats, cloth parkas, blue jeans, and winter lined clothing. This increase, along with a previous increase for prior optional extension years, results in a cumulative	\$ 1,010,000	\$ 6,737,000	1-year extension (December 31, 2022 to December 31, 2023)		\$ 1,010,000			Mark's Commercial	November 30, 2022
5 P01PA18856 / PU396655	This contract provides for TTC's marketing and communication events. Based on additional campaigns mainly related to ridership re-acquisition due to COVID-19 an increase of \$1,524,993 to the current upset limit is required to cover costs until the contract expires in October 2023. This increase, along with a previous increase, results in a cumulative amendment value of \$3,304,993 and a revised contract total amount of \$5,804,993.	\$ 1,524,993	\$ 5,804,993	No change, contract expires October 28, 2023	\$ 846,993	\$ 678,000			Publicis Canada Inc.	November 30, 2022