



## STAFF REPORT ACTION REQUIRED

### Delegation of Signing Authority to Division Heads for Master Agreements for the Purchase/Rental of Fax Machines, Photocopiers and Oracle Licenses

<b>Date:</b>	January 3, 2008
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Information Officer, Information & Technology
<b>Wards:</b>	All
<b>Reference Number:</b>	P:\2008\Internal Services\I&T\gm08002I&T (AFS#6252) P:\2008\Internal Services\I&T\gm08002I&T app (AFS#6252)

#### SUMMARY

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Council authority is being requested to delegate signing authority to the individual Division Head only, for acquiring, through purchase or rental, digital photocopiers and fax machines, and for ordering licenses and services from Oracle under the Master Agreements that the City has in place for these products. Although Council authorization to utilize each of these Master Agreements exceeds \$500,000, the individual orders that are continually processed from time to time throughout the year are well within the signing authority delegated to Division Heads.

Approval of these changes will greatly streamline the process for obtaining photocopier and fax equipment, and standard Oracle licenses as required.

## **RECOMMENDATIONS**

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The Chief Information Officer recommends that:

1. Council authorize the delegation of signing authority for the Master Contracts described in this report for the purchase or rental of fax machines, photocopiers and Oracle licenses to the Division Head of the Division purchasing or renting such products provided that expenditures do not exceed the approved Council spending authority for each Master Contract without further authorization.

### **Financial Impact**

There are no financial implications resulting from the adoption of this report.

Funds required for the acquisition of fax machines, photocopiers and Oracle licenses are included in each Division's respective operating or capital budgets. In SAP, a commitment against blanket contracts cannot be created unless a budget is in place to cover the full value of the commitment. Staff in the Contract Management Office of the Information & Technology Division will continue to manage the blanket contracts.

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

### **DECISION HISTORY**

<http://www.toronto.ca/legdocs/2006/agendas/committees/adm/adm060905/it014.pdf>

<http://www.toronto.ca/legdocs/mmis/2007/gm/bgrd/backgroundfile-4169.pdf>

### **ISSUE BACKGROUND**

Under these Master Agreements, Divisions purchase a very large number of products as required from time to time. It is not unusual to have twenty or more Schedules for the purchase or rental of these products in a single day. Each individual purchase is generally well under \$500 per month but the Master Agreements themselves exceed \$500,000 in total permitted expenditure and required the approval of Council. Because of the long-standing policy against "splitting" a contract to prevent subversion of the delegated spending authority limits, these Master Contracts have been caught by a policy that was not intended for this type of acquisition. These Agreements are specifically designed to be split up into dozens or hundreds of Schedules, each of which is itself an agreement, all within the authorized spending cap in each Master Agreement and all monitored by the Contract Management Office of the Information & Technology Division.

## COMMENTS

As a result of the sheer volume of Schedules that need to be processed, this requirement for multiple signatures is very slow and cumbersome and defeats the purpose of the Master Agreements which is the ability to acquire these products quickly and easily as a Division may require them from time to time.

Accordingly, it is recommended that Council authorize the delegation of signing authority for purchases or rentals under these Master Agreements and their spending caps specifically to the Division Heads.

The City Solicitor has been consulted and is in agreement with the recommendation.

## CONTACTS

Kathryn Bulko  
Manager, Contract Management Office  
Information & Technology Division  
Telephone: 416-397-9921  
E-mail: [kbulko@toronto.ca](mailto:kbulko@toronto.ca)

Elaine Holt  
Solicitor, Legal Services  
Telephone: (416) 397-5410  
E-mail: [eholt@toronto.ca](mailto:eholt@toronto.ca)

## SIGNATURE

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Dave W. Wallace, Chief Information Officer,  
Information & Technology Division

## ATTACHMENT

Number of Schedules to Master Agreements (2006 – 2007)  
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