

July 29, 2010

TO: Chair and Members, Government Management Committee

FROM: Giuliana Carbone, Treasurer

Re: Agenda Item GM32.7, 2009 Annual Report on Sole Source Purchasing Activity

At its meeting held on June 17, 2010 Government Management Committee deferred consideration of the report (May 26, 2010) from the Treasurer titled "2009 Annual Report on Sole Source Purchasing Activity" to its August 12th, 2010 meeting in order to allow for discussion.

It has recently come to our attention that certain information pertaining to the 2008 and 2009 sole source purchases for the Ombudsman's Office was coded incorrectly, and as such inaccurately presented in the Treasurer's report. I have consulted with the City Clerk and the errors have been adjusted.

The following summarizes the errors identified:

- Of the forty-four (44) 2009 sole source purchases for the Office of the Ombudsman listed on page 15 of Attachment 3 of the Treasurer's report dated May 26, 2010:
 - Fourteen (14) were not sole source purchases and should not have been coded as such;
 - One (1) was issued but the purchase was never made and has been cancelled;
 - The reason codes for two (2) of the purchases was incorrectly entered as "Time Constraint", the correct reason codes are:
 - "Bridging Contract" for one (1) of the purchases;
 - "Special Services" for one (1) of the purchases
 - The reason codes for twenty-five (25) of the purchases was incorrectly entered as "Emergency"; the correct reason codes are:
 - "Time Constraint" for six (6) of the purchases;
 - "Specialized Services" for ten (10) of the purchases;
 - "Match Existing Equipment/Services" for six (6);

- "Bridging Contract" for one (1)
- "Proprietary/Trademark/Patent" for two (2)

Similarly, 2008 data was also coded incorrectly and the following summarizes the errors identified in the 2008 data:

- Of the twelve (12) 2008 sole source purchases for the Office of the Ombudsman listed on page 15 of Attachment 3 of the Treasurer's Report dated May 26, 2010:
 - Five (5) were not sole source purchases and should not have been coded as such;
 - The reason codes for seven (7) of the purchases were incorrectly entered as "Emergency"; the correct reason codes are:
 - "Time Constraint" for four (4) of the purchases;
 - "Other Reason" for two (2) of the purchases (for one of the purchases previous research indicated that the supplier was the most cost-effective provider of the equipment; for the other purchase involving the services of an independent legal counsel, obtaining competitive bids was not part of the requirement to acquire legal advice); and,
 - "Specialized Services" for one (1) of the purchases.

In order to correct the public report, please find attached the following revised pages reflecting accurate information on sole source purchases for the Ombudsman's Office:

- a) revised pages 5, 7 and 8 of the staff report; and,
- b) a revised page 15 for Attachment 3.

Giuliana Carbone
Treasurer

Attachments:
Revised pages 5, 7 and 8 of the staff report
Revised page 15 for Attachment 3

