



REFERRAL OF MEMBER MOTION BY CITY COUNCIL

Request for Review by Auditor General of the Process Followed in Response to the Unsolicited Proposal from Tuggs Incorporated

Date:	June 14, 2010
To:	Audit Committee
From:	City Council
Wards:	All

City Council Decision

City Council on June 8 and 9, 2010, referred Motion MM50.2 to the Audit Committee.

Recommendations

Councillor Nunziata, seconded by Councillor Del Grande, recommends that:

1. City Council direct the Auditor General to investigate and report back on whether the way in which the unsolicited proposal and subsequent revised proposal by Tuggs Incorporated were handled in line with City Policy and if not, recommend what action, if any, can be taken in this regard.

Summary

At the February 5 and 6, 2007 meeting of City Council, Council accepted, against staff recommendations, an unsolicited proposal from Tuggs Incorporated and authorized staff to enter into an agreement to finalize a twenty-year extension to the agreement Tuggs Incorporated had with the City at the time – this was to be done by July 2007. At this meeting, it was also recommended and adopted that no other unsolicited proposals were to be entertained by the City until a policy review and revised practice was prepared by the City Treasurer and adopted by City Council to deal with unsolicited proposals.

As of July 2007, the agreement with Tuggs Incorporated still had not been finalized, passing the deadline that was set by City Council. By this time, City Council adopted a new Unsolicited Quotations or Proposal Policy outlining a procedure for Division Heads to respond to unsolicited quotations or proposals in a way that ensures transparency, fairness, and best value for the City (adopted at City Council on June 19, 20 and 22, 2007). In April 2009, a revised proposal was submitted by Tuggs Incorporated, nearly two years after an agreement was to be made as per the direction of City Council. At City Council on May 11 and 12, 2010, Council voted in favour of accepting the revised proposal which will see the City receiving less money from Tuggs Incorporated for rent and guaranteed Sponsorship Revenue than was proposed by Tuggs in their original proposal.

Because the City's Unsolicited Quotations or Proposal Policy was not followed, despite having been in effect for nearly two years once the revised proposal was eventually submitted, we cannot be sure that the best value for the City has been obtained.

(Submitted to City Council on June 8 and 9, 2010 as MM50.2)