



STAFF REPORT ACTION REQUIRED

Extending Authority for Preparation of Goods and/or Service Contracts by the Chief Corporate Officer Organization

Date:	February 2, 2016
To:	Government Management Committee
From:	City Solicitor and Chief Corporate Officer
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to expand the delegation of authority to the Chief Corporate Officer Organization for the preparation of all formal agreements for goods and services and not just those that are awarded by tender. This change will streamline the process, simplify financial controls and expedite the in-year delivery of the CCOO capital program. It will create efficiencies to the process of preparation and approval "as to form" for formal agreements for purchase of goods and/or services by the Chief Corporate Office Organization. The contracts and agreements will still conform to all requirements set out by the City's Legal Services.

RECOMMENDATIONS

The City Solicitor and Chief Corporate Officer recommend that:

1. City Council authorize the Chief Corporate Officer to prepare and "approve as to form" all standard form contracts for the purchase of goods and services, including architectural and engineering consulting services, by the Chief Corporate Officer Organization (CCOO), that have been awarded by tender, request for proposal, request for quotation, sole source or any other City procurement process, prior to the execution of such agreements by appropriate City officials, utilizing such standard processes and standard form documents as approved by the Director, Purchasing and Materials Management and the City Solicitor.

2. City Council authorized the Chief Corporate Officer to delegate these functions and authority to her staff as necessary.

Financial Impact

The recommendations in this report are expected to result in operational efficiencies to the operations of both Legal Services and the Chief Corporate Officer Organization. There are no financial implications arising from the recommendations in this report beyond what has already been approved in this year's budget.

ISSUE BACKGROUND

At its meeting on April 1, 2 and 3, 2014, City Council adopted Report GM28.4 which authorized the Chief Corporate Officer to prepare and "approve as to form" all standard form contracts for the purchase of goods and services, by the Chief Corporate Officer Organization (CCOO) that have been awarded by a tender process, prior to the execution of such agreements by appropriate City officials, utilizing such standard processes and standard form documents as approved by the Director, Purchasing and Materials Management and the City Solicitor.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.GM28.4>

As a result of Council's action, the CCOO has been preparing and "approving as to form" capital construction contracts arising from the tender process. This change in responsibility has been very successful in accomplishing the objectives of expediting the contract preparation and approval process and permitting the CCOO to prioritize the contracts that they require. Legal has conducted a spot audit on the preparation and execution of the contracts and has found that CCOO staff are meeting the contract preparation and execution requirements.

Given the success with construction contracts, it is now recommended that contracts with respect to many other goods and services, including those awarded by RFP or RFQ, sole source (following Council approved processes) or procured by processes other than the standard tender process be undertaken by the CCOO as well, including consultant agreements for services such as architectural and engineering services.

These agreements are currently prepared in consultation with and "approved as to form" by Legal Services in accordance with the procedure on Formal Agreements. CCOO staff confirms in writing to Legal Services that the agreement accurately reflects the business requirements as stated in the tender document and Legal Services confirms that the necessary authority exists and prepares and finalizes the execution of the standard form agreement. Legal Services also prepares and obtains bonds or other security, if required, and ensures that the required insurance is in place, and that other matters, such as WSIB clearances, are obtained from the Contractor as required under the call documents.

Given the current workload in Legal Services and the CCOO, it is estimated that the time to complete the execution of a standard form consultant contract for RFP's and RFQ's could be reduced if the role currently undertaken by Legal Services is instead transferred to the CCO. As with the previous recommendation, this is expected to increase efficiency and eliminate adverse impacts on budgets and funding for capital projects across the City which could be caused by delays in the contracts process.

Streamlining the Process:

Given the previous success in streamlining the process and successfully reducing the time to complete capital projects, CCOO and Legal Services are of the view that given staff resources, the most efficient means of ensuring quicker turnaround of the preparation and execution of CCOO contracts is to decentralize the function for those contracts which are routine and template driven (based on standard form agreements prepared by Legal Services) to the Chief Corporate Officer Organization.

This would entail CCOO staff reviewing the documents, preparing the standard form contracts and approving them "as to form" before the City's approved signing officer(s) executes the agreements. "Approving as to form" is merely an approval by specific responsible individuals that the document has been prepared under City authority as is properly reflective of that authority. The content of the contract documents are typically already determined by the procurement documents issued by the CCOO with preparation comprising such matters (aside from checking authorities) as the preparation and receipt of the standard form bonds, insurance certificates, WSIB certificates, etc. required by the call documents.

The expanded transfer of this function from Legal Services to the CCO for CCOO agreements would, in our view, further streamline the process leading to execution by eliminating the physical delivery of documentation and the time taken for communication to and from Legal Services and CCOO. In addition, the transfer would make the staff who are accountable for the Capital Program to have more control over all the steps needed to allow the program to proceed. Legal Services would remain available to answer questions and assist with specific legal issues as required.

This transfer of function would apply to the majority of awarded standard form contracts. For more complex or non-standard contracts, the CCOO would continue to use Legal Services to finalize contracts. There will be training of CCOO staff by Legal Services and Purchasing and Material Management on the procedures that need to be undertaken to ensuring proper execution of Contract documents and the receipt of proper bonds (if required) and insurance. Once the process is underway, Legal staff will audit the agreements and process to ensure compliance.

CONCLUSION

In order to reduce further delays in contract execution and facilitate in-year delivery of the CCOO's capital program, it is being recommended that the function of preparing and arranging for execution of standard form CCOO contracts arising from Requests for Proposals, Requests for Quotations, and the sole source process, including architectural and engineering consulting agreements, be transferred from Legal Services to the CCO. Once approved by Council, the CCO, the Director of Purchasing and Materials Management Division and the City Solicitor will work together to finalize standard instructions for the preparation and execution of standard form contracts and to train staff within CCOO to implement this transition as quickly as possible.

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SIGNATURE

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