**REPORT FOR ACTION**

# Proposed Amendments to Toronto Parking Authority Policy Resolutions 5-10: Delegation of Authority and 5-13: Purchase Cards (National Bank Mastercard)

**Date:** March 19, 2021
**To:** Board of Directors, Toronto Parking Authority
**From:** President, Toronto Parking Authority
**Wards:** All

## SUMMARY


Toronto Parking Authority (TPA) Policy Resolution 5-10: Delegation of Authority (see Appendix A) sets out the authorities delegated by the Board of Directors of TPA to TPA to make financial commitments and execute documents. TPA is proposing to amend the policy to update the cost thresholds, explicitly recognize the authorities related to parking management agreements, real estate activities involving lands or a portion of lands under TPA's operational jurisdiction and the lack of TPA's authority to acquire lands or an interest in lands. Further amendments are proposed to clarify the authority to amend or extend contracts and the authorities provided to TPA to execute documents that bind the corporation.

The proposed amendments will provide TPA with increased operational flexibility, ensure alignment with the authorities provided to TPA under Chapter 179 of the Municipal Code and minimize the potential for misinterpretation. Consequential amendments to Policy 5-13 - Purchase Cards (National Bank Mastercard) are needed to ensure alignment with the proposed changes to Policy 5-10.

In summary, the recommended amendments to Policy 5-10: Delegation of Authority

- Increase the President's commitment authority from $250,000 to $500,000,
- provide greater clarity for staff,
- request delegated authority for the President and Departmental Vice Presidents with regards to Parking Management Agreements with up to $250,000 net operating income, and
- include the authority restrictions defined under Chapter 179 of the Municipal Code.

No other changes to delegation authorities are proposed in this report.

## RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of the Toronto Parking Authority review, approve and endorse the following Toronto Parking Authority Policy Resolutions:

> a) Policy Resolution 5-10 - Delegation of Authority, attached as Appendix B to the report from the President, Toronto Parking Authority); and
>
> b) Policy Resolution 5-13 - Purchase Cards (National Bank Mastercard), attached as Appendix C to the report from the President, Toronto Parking Authority.

and direct staff to enact these Policy Resolutions, as approved and endorsed.

## FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

## DECISION HISTORY

At its meeting of December 5, 6, 7 and 8, 2017, City of Toronto (City) Council adopted changes to Chapter 179, Toronto Parking Authority of the Municipal Code. The changes to the Municipal Code recognize the city-wide real estate service delivery model and imposed limitations on the authorities for TPA to complete real estate transactions. More information is available here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX29.5

TPA Board of Directors most recently reviewed and approved Policy Resolution 5-10 - Delegation of Authority at its meeting of April 24, 2017.

TPA Board of Directors most recently reviewed and approved Policy Resolution 5-13 - Purchase Card (National Bank Mastercard) at its meeting of April 24, 2017.

## COMMENTS

The following changes are proposed to Policy Resolution 5-10: Delegation of Authority:

- Replacement of policy statement and description of policy application with a single paragraph of introductory text;

- Replacement of Approval Authority Matrix with both a Delegated Authorities Table and an Execution Authorities Table - intended to provide clarity with regards to the authorities in place to execute documents that bind the corporation;
- Removal of TPA Board of Directors from Delegated Authorities Table - the table outlines authorities delegated by TPA Board of Directors to TPA staff. Including the TPA Board of Directors is redundant in this table;
- Removal of Purchase Requisition Authorities from Delegated Authorities Table - Policy 5-10 is focused on purchasing commitments, where initiating a purchasing process does not include a commitment to purchase;
- Removal of budgeted versus non-budgeted commitments from Delegated Authorities Table - all purchases shall be funded from the appropriate capital or operating budgets;
- Removal of Purchase Card Limits from Delegated Authorities Table. These amounts are now proposed to be included in Policy 5-13: Purchase Cards (National Bank Master Card) - include all Purchase Card policies in a single policy for greater consistency and clarity;
- Increase the President's commitment authority from $250,000 to $500,000,
- Add authority for the President, TPA to authorize parking management agreements where the estimated annual net operating income for the entire term, including any options, is $250,000 or less;
- Add authority for the Departmental Vice Presidents to authorize parking management agreements where the estimated annual net operating income for the entire term, including any options is $100,000 or less;
- Add a line item addressing authorities to address Contract or Purchase Order amendments / extensions;
- Add authorities as defined under Section 179-7 of the Municipal Code, Chapter 179; and
- Remove definitions and replace with new explanatory notes to provide further clarification.

A further explanation of the key changes proposed to Policy 5-10: Delegation of Authority is provided below.

**President, TPA**

Policy 5-10 provides authority to the President, TPA to make commitments up to $250,000. Given the period of time that has elapsed since the last update, TPA is proposing that this threshold be increased to $500,000. The proposed increase will provide TPA with greater operational flexibility under the oversight of the President and will bring the commitment authority of the President, TPA, in line with the authorities provided to other executive-level positions across the City of Toronto's Divisions, Agencies and Corporations.

In cases of emergency, it is further proposed that the President, with the approval of the Board Chair, or his or her delegate, be provided the authority to commit TPA contractually in excess of the $500,000 threshold. Where this situation arises, TPA shall disclose the commitment at the next regularly scheduled meeting of TPA Board of Directors.

## Parking Management Agreements

Under Section 179-13 of Municipal Code, Chapter 179, TPA may enter into agreements for the maintenance, operation and management of parking facilities within the City. These agreements typically cover a range of parking management services located on third-party lands, which are commonly referred to as Parking Management Agreements.

Parking Management Agreements are not included in the existing version of Policy 5-10, and as a result, TPA must seek authority from TPA Board of Directors to negotiate, enter into and execute Parking Management Agreements with third parties irrespective of the value of the commitment being made. The proposed amendments to Policy 5-10, include that where the total of the estimated annual net operating income for the entire term, including any options, is $250,000 or less, authority to negotiate, enter into and execute the agreement be delegated to the President, TPA. It is further proposed that the Departmental Vice Presidents be provided the same authority for parking management agreements with a value not exceeding $100,000.

Delegating these authorities to TPA will improve TPA's competitive position in the marketplace and will allow it to offer and execute on deals in a more timely manner. To ensure that TPA Board of Directors continues to have visibility into the Parking Management Services portfolio, TPA is proposing that regular updates be provided commencing in the second quarter of 2021.

### Municipal Code - Chapter 179, Toronto Parking Authority

At its meeting of December 5, 6, 7 and 8, 2017, City Council approved amendments to Chapter 179, Toronto Parking Authority, of the Municipal Code. The amendments recognized the City's new real estate service delivery model and resulted in a number of key changes related to the authorities under which TPA participates in real estate transactions.

Under Section 179-7 of the Municipal Code, land and buildings where vehicles may be parked shall be acquired and owned by the City and shall be used by TPA only where designated by by-law of Council for that purpose. Only Council shall pass by-laws regulating the parking of vehicles and imposing penalties for the contravention of such by-laws. Accordingly, the City’s acquisition of lands, or any form of interest in land (regardless of the form of the agreement) for the purposes of TPA's operation of municipal parking will require City approval either by City Council or by City Council’s delegated authority to City staff where such delegated authority is applicable.

Agreements concerning real estate transactions, where the TPA is a party, shall be executed by the TPA Board. Policy 5-10 is being updated to reflect these changes.

The other change to Chapter 179 of the Municipal Code of note is the placement of numerous restrictions on the TPA's authority to approve and enter into licences and leases in relation to areas or facilities under its jurisdiction, including but not limited to:

(1) the term of the arrangement, including all licences and leases and rights of extension or renewal, is

- (a) for a total period of one (1) year or less; or,
- (b) where the arrangement relates to only a portion of an existing building or structure, for a total period of three (3) years or less, and
- (c) subject to a right of termination in favour of TPA, exercisable upon not greater than 90 days' prior notice;

(2) the total rent or licence fee payable to the Parking Authority pursuant to such arrangement does not exceed $50,000;

The proposed amendments to Policy 5-10 specifically reference the above-noted restrictions implemented in Subsections 179-8.1.B (1), (2) of Municipal Code Chapter 179.

**Contract Amendments**

The proposed amendments to Policy 5-10 also include additional specificity around the required authorities for extending or amending a purchase order or contract and clarifies the maximum authority of the TPA President. Under the proposed policy, a purchase order or contract extension or amendments may be approved up to the greater of 20 percent of the original contract value or $500,000. The cumulative value of purchase order amendments or contract extensions shall not exceed the delegated authority noted. Examples are included in the proposed policy and intended to reinforce the need to consider the cumulative value of the contract. Authority from the TPA Board of Directors will be required for any purchase order amendments or contract extensions that result in the total contract value exceeding $500,000.

**Other**

To address uncertainty in the existing Policy 5-10 about which staff have authority to execute documents and when, a separate Execution Responsibility table has been added to the proposed policy.

**Consequential Amendments to Policy 5-13: Purchase Cards (National Bank Mastercard)**

In addition, it is proposed that the Purchasing Card spending limits included in the existing policy be removed and instead included in TPA Policy Resolution 5-13 - Purchasing Card Limits. The proposed amendments to Policy 5-13 needed to implement these changes are included in Appendix C. Additional housekeeping amendments to replace "the Toronto Parking Authority" with "Toronto Parking Authority;" removal of National Bank Mastercard from the title of the policy; and the addition of new text to define the timeframes under which the review and approval of purchases using a purchase card must be obtained.

## CONTACT

Jeffrey Dea, Vice President, Business Development, Toronto Parking Authority
437-243-6545, jeffrey.dea2@toronto.ca

## SIGNATURE

W. Scott Collier, President
Toronto Parking Authority

## ATTACHMENTS

Appendix A: Toronto Parking Authority Policy Resolution 5-10 - Delegation of Authority

Appendix B: Proposed Amendments to Toronto Parking Authority Policy Resolution 5-10 - Delegation of Authority

Appendix C: Proposed Amendments to Toronto Parking Authority Policy Resolution 5-13 - Purchase Cards (National Bank Mastercard)

## APPENDIX A:

## TORONTO PARKING AUTHORITY POLICY RESOLUTION 5-10 - DELEGATION OF AUTHORITY

TORONTO PARKING AUTHORITY

**POLICY RESOLUTION** **5-10**

ITEM: **Delegation of Authority** PAGE 1 OF 3

POLICY STATEMENT: This Delegation of Authority policy defines the manner in which the TPA will enter into legally binding commitments.

APPLICATION: The Approval Authority Matrix below sets out the approval authority by staff position. Written delegation by the Board or President of their approval authority is permitted.

| Authorized Staff | Requisition Authority | Commitment Authority Budgeted | Commitment Authority Not Budgeted | Purchase Card Limits | Execution of Documents |
|---|---|---|---|---|---|
| **Board** | Unlimited | Unlimited | Unlimited | n/a | All documents |
| **President** | Unlimited | $250,000 | 250,000 | 20,000 | All documents |
| **Vice Presidents** | 100,000 (Real Estate Unlimited) | 100,000 | 20,000 | 10,000 | All documents |
| **Directors** | 20,000 | 20,000 | 5,000 | 5,000 | Invoices and Employee expenses |
| **Managers** | 10,000 | 10,000 | 2,500 | 2,500 | Invoices and Employee expenses |
| **Supervisors** | n/a | n/a | n/a | 2,000 | Invoices and Employee expenses |

FIRST ADOPTED: April 24, 2017 *(Previous Policy Version Adopted: 79-304)*
LAST AMENDED: April 24, 2017 MINUTE NUMBER: 17-055
LAST REVIEWED: April 24, 2017 MINUTE NUMBER: 17-055

All commitments, purchases and document execution are subject to the signing authority within the delegated limits provided above. Contracts for normal day-to-day operations, requiring one authorized signature may be signed by either the President or delegated to the Vice Presidents.

Change orders pertaining to previously approved purchase orders may be approved up to 20% of the original purchase value, subject to the delegation of authority above.

Real estate acquisitions require the approval of Council or by their delegated authority. All conditional real estate transactions, including but not limited to Purchase and Sale agreements, leases, licences, access agreements, encroachment and other similar documents requiring execution are to be signed by the President or appropriate designate and the VP Real Estate, in order to facilitate the timely execution of real estate transaction contracts necessary to secure the real estate and or to commence due diligence.

Final real estate transactions with Board approval and are to be executed by the President or designate and a Board member on behalf of the TPA as per the Delegation of Authority above.

All amounts are in Canadian dollars and exclusive of applicable taxes.

DEFINITIONS: *Requisitions:*

Requisition orders detail the ordering information, including the department requesting materials, the exact number of supplies requested, a general description of those supplies, the legal name of the supplier and the expected price of the purchase. It also provides the g/l coding, budget verification, quotes obtained, and document authorization prior to ordering and committing.

*Budget:*

Budgets are approved by Council and the TPA Board. Non-budgeted items may include items or services required for emergency repairs.

| | | | |
|---|---|---|---|
| FIRST ADOPTED: | April 24, 2017 | *(Previous Policy Version Adopted: 79-304)* | |
| LAST AMENDED: | April 24, 2017 | MINUTE NUMBER: | 17-055 |
| LAST REVIEWED: | April 24, 2017 | MINUTE NUMBER: | 17-055 |

# TORONTO PARKING AUTHORITY

## POLICY RESOLUTION 5-10

ITEM: **Delegation of Authority** PAGE 3 OF 3

*Commitment Authority:*

Commitment Authority is the ability to commit the TPA to enter into contractual arrangement for the purchase of goods and services by awarding a Purchase Order, signing a contract or agreement, placing an order for goods or services, using a Purchase Card or approving a cheque requisition.

*Execution of Documents:*

Provides the authority to sign documents to bind the corporation.

*Approval of Disbursements:*

All disbursements of Parking Authority funds must be received by the Board and noted in the Minutes of the TPA Board of Director meetings. A list indicating the payment reference number or cheque number, payee and brief description of the service or supply appended to the Minutes is sufficient. Any commitment by the President, not previously approved by the Board, between \$100,000 and \$250,000 should be reported to the Board at the next meeting of the Board.

| | | | |
|---|---|---|---|
| FIRST ADOPTED: | April 24, 2017 | *(Previous Policy Version Adopted: 79-304)* | |
| LAST AMENDED: | April 24, 2017 | MINUTE NUMBER: | 17-055 |
| LAST REVIEWED: | April 24, 2017 | MINUTE NUMBER: | 17-055 |

## APPENDIX B:

## PROPOSED AMENDMENTS TO TORONTO PARKING AUTHORITY POLICY RESOLUTION 5-10 - DELEGATION OF AUTHORITY

TORONTO PARKING AUTHORITY

**POLICY RESOLUTION** **5-10**

ITEM: **Delegated Authorities and Execution Responsibilities** PAGE 1 OF 4

This policy defines the authorities delegated by the Board of Directors of Toronto Parking Authority (TPA) to TPA staff to make commitments and execute documents. Delegated authorities to authorize TPA to enter into any form of commitment with any third party vary by staff position and are set out in the table below.

**Delegated Authorities**

| Agreement Type | President (Maximum Value) | Vice President (Maximum Value) | Director (Maximum Value) | Manager (Maximum Value) |
|---|---|---|---|---|
| **Commitments** | $500,000 | $100,000 | $50,000 | $10,000 |
| **Parking Management Agreements** | $250,000 | $100,000 | Nil | Nil |
| **Contract and PO Extensions, or Amendments** | Lesser of 20% of Contract or $500,000 in total commitments | Lesser of 20% of Contract or $100,000 in total commitments | Nil | Nil |
| **Acquisition of Lands or an Interest in Lands (Ch 179-7)** | Nil | Nil | Nil | Nil |
| **Licenses and Leases of Lands or areas of land under the jurisdiction of TPA (Ch 179-8.1)** | $50,000 | Nil | Nil | Nil |

**Note 1:** Contract and PO Extensions, or Amendments:

- Purchase Order or contract extension or amendments may be approved up to the lesser of 20% of the original contract value or $500,000, subject to the delegation of authority above.
- The cumulative value of purchase order amendments or contract extensions shall not exceed the delegated authority above.
- *For example, if a PO is issued for $400,000 by the President TPA, a single POA of up to $80,000 (20%) may be authorized by the President.* Any further POAs or contract extensions that result in the total contract value exceeding $480,000 will require authority from the Board of Directors.

**Note 2:** All amounts are in Canadian dollars and exclude HST.

**Note 3:** Written delegation by the President of their delegated authority is permitted.

| | | | |
|---|---|---|---|
| FIRST ADOPTED: | April 24, 2017 | *(Previous Policy Version Adopted: 79-304)* | |
| LAST AMENDED: | ~~April 24, 2017~~ | MINUTE NUMBER: | 17-055 |
| LAST REVIEWED: | ~~April 24, 2017~~ | MINUTE NUMBER: | 17-055 |

***Execution Responsibilities*** **–** The individual with the delegated purchase authority identified above shall have the authority to execute the documents that commit TPA to within the stated delegated limits. Alternatively, documents may be executed by the TPA Board, if otherwise authorized by a delegated authority. (Execution by the TPA Board of an agreement authorized by a delegated authority requires the signature of a member of TPA Board, as well as a corresponding signature of the TPA President).

**Execution Responsibility**

| Agreement Type | TPA Board (See Note 1) | President | Vice President | Director | Manager | Supervisor |
|---|---|---|---|---|---|---|
| Commitments | Greater than $500,000 | $500,000 | $100,000 | $50,000 | $10,000 | $2,000 |
| Parking Management Agreements | Greater than $250,000 | $250,000 | $100,000 | Nil | Nil | Nil |
| Contract and PO Extensions, or Amendments | Greater than $500,000 in total commitments, or 20% of Contract value | Lesser of 20% of Contract or $500,000 in total commitments | Lesser of 20% of Contract or $100,000 in total commitments | Nil | Nil | Nil |
| Holdback Release Payments | Any in excess of Approved Budget | Approved Budget | $50,000 | $25,000 | Nil | Nil |
| Acquisition of Lands or an Interest in Lands (S. 179-7) | Only where execution on the part of the TPA is specifically required by the City | Nil | Nil | Nil | Nil | Nil |
| Licenses and Leases of Lands or areas of land under the jurisdiction of TPA (S. 179-8.1) | $50,000 and term of arrangement not to exceed S. 179-8.1 B. (1) limits | $50,000 and term of arrangement not to exceed S. 179-8.1 B. (1) limits | Nil | Nil | Nil | Nil |
| All Other Arrangements and Agreements Authorized directly by TPA Board | All (See note 2) | Nil | Nil | Nil | Nil | Nil |

Note 1: All documents to be executed by the TPA Board, require signature by one member of the TPA Board member, as well as a corresponding signature by the President.

Note 2: TPA Board may, by decision at a meeting of the TPA Board specifically designate the responsibility of executing an agreement or other arrangement to specific TPA staff on behalf of the board.

FIRST ADOPTED: April 24, 2017 *(Previous Policy Version Adopted: 79-304)*
LAST AMENDED: ~~April 24, 2017~~ MINUTE NUMBER: 17-055
LAST REVIEWED: ~~April 24, 2017~~ MINUTE NUMBER: 17-055

***Additional Explanatory Notes and Definitions:***

***Commitments*** - Commitments may be in the form of a contract or a Purchase Order or both depending on the value of the obligations. Any other commitments being made that bind TPA to purchase materials or services or provide services, such as parking management agreements, are also subject to the delegated limits provided above.

***Parking Management Agreements*** - the total of the estimated annual net operating income for the entire term, including any options, shall be used to determine the level of signing authority required to commit TPA to provide parking management services.

***Contract and Purchase Order Extension / Amendments*** - Purchase Order or contract extension or amendments may be approved up to the lesser of 20% of the original contract value or $500,000, subject to the delegation of authority above. The cumulative value of the purchase order amendments or contract extensions shall not exceed the delegated authority above.

> *Example 1: if a PO is issued for $400,000 by the President TPA, POAs of up to $80,000 (20%) may be authorized by the President. Any further POAs or contract extensions that result in the total contract value exceeding $480,000 will require authority from the Board of Directors.*

> *Example 2: if a PO is issued for $500,000 by the President TPA, any POA to the contract will require authority from the Board of Directors.*

***Acquisition of Lands or an Interest in Lands*** –Under Chapter 179-7 of the Municipal Code, land and buildings where vehicles may be parked shall be acquired and owned by the City and shall be used by TPA only where designated by by-law of Council for that purpose. Only Council shall pass by-laws regulating the parking of vehicles and imposing penalties for the contravention of such by-laws. Accordingly, the City's acquisition of lands, or any form of interest in land (regardless of the form of the agreement) for the purposes of TPAs operation of municipal parking will require the approval of both TPA Board of Directors and City Council or by City Council's delegated authority where such delegated authority is applicable. Final real estate transactions are to be executed by the President and a Board member on behalf of TPA.

| | | | |
|---|---|---|---|
| FIRST ADOPTED: | April 24, 2017 | *(Previous Policy Version Adopted: 79-304)* | |
| LAST AMENDED: | ~~April 24, 2017~~ | MINUTE NUMBER: | 17-055 |
| LAST REVIEWED: | ~~April 24, 2017~~ | MINUTE NUMBER: | 17-055 |

***Licenses and Leases of Lands or areas of land under the jurisdiction of TPA*** - transactions involving lands or facilities under TPA operational jurisdiction are subject to the Delegated Real Estate Authority under Chapter 179-8.1 of the Municipal Code.

***Exceptions*** - In cases of emergency, the President, with the approval of the Board Chair, or his or her delegate, may commit TPA contractually in excess of the $500,000 threshold. Where this situation arises, TPA shall disclose the commitment at the next regularly scheduled meeting of TPA Board of Directors.

***Exclusions*** – this policy does not apply to employment-related contracts or the procurement of goods and services from another public body.

| | | | |
|---|---|---|---|
| FIRST ADOPTED: | April 24, 2017 | *(Previous Policy Version Adopted: 79-304)* | |
| LAST AMENDED: | ~~April 24, 2017~~ | MINUTE NUMBER: | 17-055 |
| LAST REVIEWED: | ~~April 24, 2017~~ | MINUTE NUMBER: | 17-055 |

## APPENDIX C:

## PROPOSED AMENDMENTS TO TOROTO PARKING AUTHORITY POLICY RESOLUTION 5-13 - PURCHASE CARDS (NATIONAL BANK MASTERCARD)

TORONTO PARKING AUTHORITY

**POLICY RESOLUTION** **5-13**

ITEM: **Purchase Cards ~~(National Bank Mastercard)~~** PAGE 1 OF 1

POLICY STATEMENT:

~~The~~ Toronto Parking Authority (TPA) Purchasing Cards (PCards) are TPA-liability credit cards issued in the names of authorized individuals to purchase certain eligible goods and services in support of TPA.

**Only eligible direct TPA business expenses may be charged to the PCard; personal purchases are strictly prohibited; and exceedances of the PCard Limits by authorized staff below shall not be permitted.**

All PCard transactions must be supported by a detailed business purpose and by proof of purchase documentation. All transactions must be summarized in an expense report submitted to the Designated Approval Body within 60 days of the PCard transactions for review and approval by the Designated Approval Body specified below. Review and approval of the PCard transaction must be completed within 30 days (with the exception of review and approval by the TPA Board which must be completed within 60 days of the submission of the expense report). Improper use of the PCard, including use of the PCard for personal purchases, may result in disciplinary action up to and including termination of employment.

Individuals who spend funds on behalf of the TPA have a stewardship responsibility to ensure those transactions are reasonable, appropriate, provide the best value and have a proper business purpose. Cardholders must ensure they are free from conflict of interest when selecting vendors.

Cardholders are to be familiar with and comply with TPA's Procurement Policies and the spending authorities outlined below:~~.~~

| Authorized Staff | Purchase Card Limits | Designated Approval Body |
|---|---|---|
| President | $20,000 | TPA Board |
| Vice Presidents | $10,000 | President |
| Directors | $5,000 | Vice Presidents |
| Managers | $2,500 | Directors |
| Supervisors | $2,000 | Managers |

| ~~Authorized Staff~~ | ~~Purchase Card Limits~~ |
|---|---|
| ~~President~~ | ~~$20,000~~ |
| ~~Vice Presidents~~ | ~~$10,000~~ |
| ~~Directors~~ | ~~$5,000~~ |
| ~~Managers~~ | ~~$2,500~~ |
| ~~Supervisors~~ | ~~$2,000~~ |

| | | |
|---|---|---|
| FIRST ADOPTED: | 17-055 (April 24, 2017) | |
| LAST AMENDED: | NEW | MINUTE NUMBER: NEW |
| LAST REVIEWED: | April 24, 2017 | MINUTE NUMBER: 17-055 |