For Action

Updates to the CEO's Delegated Authority

Date: April 16, 2026
To: TTC Board
From: Chief Executive Officer

Recommendations

It is recommended that the TTC Board:

1. Approve amending the TTC Authorization for Expenditures and Other Commitments policy, by delegating additional authority to the Chief Executive Officer (which authority may be further delegated by the Chief Executive Officer to their designates) as set out below provided that the contract award and amendment amounts are within the TTC's approved budget.

single source awards and amendments (cumulative value)	Up to $5 million (inclusive of taxes)
single source awards and amendments (cumulative value)	Over $5 million (inclusive of taxes) and up to approved budget, with the approval of the Chair or Vice-Chair

2. Notwithstanding any current policy, authorize the Chief Executive Officer to delegate any financial authority amount, which has been delegated by the Board to the Chief Executive Officer, to their designates as determined by the Chief Executive Officer in consultation with the Chief Financial Officer.

3. Direct the Chief Executive Officer to report to the Board on a semi-annual basis on the following:

    a. All contract awards that exceed $5 million, inclusive of taxes;

    b. All contract awards regardless of value where the term of the contract, including option years, exceeds 5 years, save and except if the projected term of capital funding for the project and contract, as approved by the Board and City Council, is greater than 5 years; and

    c. All single source contract awards that exceed $2.5 million, inclusive of taxes.

4. In order to ensure continuity of services during a municipal election year, that from the last scheduled Board meeting on July 22, 2026, until the next scheduled Board

meeting (which is currently scheduled for December 15, 2026), the following additional authorities shall be delegated to the Chief Executive Officer (as may be further delegated by the CEO):

a. Award, or amend existing contracts, in response to an emergency, otherwise defined as any situation of extreme urgency brought about by unforeseeable events that requires the immediate procurement of goods and services to address a material and imminent risk to health, safety, security, cybersecurity, property, the environment or other public interests of the TTC and/or the City of Toronto.

b. Award, or amend existing, contracts required to ensure critical and time sensitive TTC operating and capital activities continue to move forward and are not delayed.

c. In consultation with the Chief Financial Officer, to enter into agreements, including any amendments and extensions, with other orders of government, including their agencies, to take actions as required to preserve the TTC's ability to secure intergovernmental funding or financing opportunities that may arise, including entering into any necessary agreements with other levels of government to receive such funding.

5. Direct the Chief Executive Officer or designate to report to the first Board meeting of the new term on the exercise of any delegated authority under Recommendation 4 above.

Summary

The Authorization for Expenditures and Other Commitments policy defines the framework to make purchases and/or commitments on behalf of the TTC and covers the Board's delegation of authority to the Chief Executive Officer ("CEO") to authorize expenditures including contract awards and amendments.

In June 2025, the Board approved updates to the CEO's delegation of authority that permit the CEO to approve contract awards, and amendments, up to the approved budget amount. The Board's approval included a requirement to report back on a semi-annual basis on contracts awarded under the delegated authority that exceed $5 million.

For single source contracts, including all amendments, the CEO's delegation of authority amount was not updated and remained at a total of $500,000.

The proposed update as set out in this report requests additional delegated authority for the CEO to award single source contracts, including amendments, up to a cumulative value $5 million, inclusive of taxes. For single source contracts that exceed $5 million, additional approval from the Chair or Vice-Chair is required. The recommendations also ensure that any delegated authority provided by the Board to the CEO may be further delegated by the CEO to their designates.

The report also provides additional delegated authority to the CEO during the break in Board meetings from July – December 2026 arising from the municipal elections. These changes support:

- TTC's Corporate Plan, Action 5.1.1 **Efficiencies in Business Processes**: streamlining and optimizing existing business processes to enhance operational effectiveness.

- City of Toronto Council and TTC Board requests for increased efficiencies related to the contract award process.

Background and Analysis

The CEO's existing approval authority for contract awards and amendments were established by the Board in June 2025.

History of Higher Delegation limits to the CEO

The TTC Board has consistently delegated higher procurement authority to the CEO, subject to available funding, to support timely decision-making and operational efficiency. Notable examples include:

- **October 2020**: Delegated authority to the CEO to:
  - Amend the streetcar supply contract ($140 million); and
  - Award contracts for hybrid-electric buses ($390 million).

- **February 2022:** Authorized the CEO to enter into an agreement in the amount of $69.8M for fleet electrification and amend the agreement up to $591M.

- **April 2022:** Delegated authorization to the CEO to enter into contribution agreements with governmental partners for net new funding and amend contracts under the TTC's Green Bus Program up to the new funding commitments.

- **February 2023:** Increased delegated authority to the CEO for a cumulative amount of $15M to issue or amend contracts to respond to emergencies.

- **July 2022:** The CEO's authority was increased to $20 million to award and/or amend contracts during the Board recess period (July – December 2022).

- **June 2025:** The CEO's authority to approve contract awards (and amendments), other than single source, was increased to amounts within approved budgets.

Jurisdictional Review

Similar to other public sector entities, the TTC's policy distinguishes between **"sole sourcing"** (only one capable supplier, such as original equipment manufacturer (OEM) proprietary parts for vehicles and specialized equipment) and "**single sourcing"** (one selected among several capable suppliers). The CEO's delegated authority was previously increased for sole source contracts, but not single source contracts. The proposed update recommends increasing the delegated authority to award single source contracts and amendments up to a cumulative value of $5 million. This amount represents approximately 0.1% of the combined TTC Operating and Capital budgets.

As a comparison to other public sector organizations, the authority levels for single source contracts range from a low of $100,000 (Vaughan) to a high of $10M (Metrolinx) or up to an approved budget amount (Calgary and TransLink).

Controls & Reporting

The June 2025 update to the CEO's authority included a control that contracts must not exceed a maximum term of five (5) years, including optional terms, or the projected term of capital funding for a project as otherwise approved by the Board and City Council. To support continued efficiencies, going forward the CEO will approve such contracts and include these awards in the semi-annual report to the Board, as noted in Recommendation 3(b) above.

As previously reported, the update to the CEO's delegated authority includes controls to ensure accountability and transparency:

1. **Budget Compliance:** Awards and/or amendments values must be within the TTC's approved budget.

2. **Best Value**: Contract awards based on competitive procurement processes are made to the supplier that, based on the evaluation criteria set out in the specific bid document (which includes an evaluation of pricing), represents the best value.

3. **Non-Competitive Oversight**: Established procedures that ensure contract awards based on non-competitive procurement processes represents best value and oversight.

4. **Single Source Contracts**: Contracts with a value of over $2.5 million will be reported to the Board on a semi-annual basis.

5. **Internal Checks and Balances:**
   i. CFO, or delegate, approval for awards over $5 million and amendments over $2.5 million; and
   ii. a CEO established committee to advise on non-standard situations or concerns arising during the procurement process.

6. **Fairness and Integrity:** All procurement processes must be fair, transparent and free of conflicts of interest.

Intergovernmental Funding Opportunities

The TTC relies on intergovernmental funding to support investments in transit infrastructure and service. In order to ensure the TTC can leverage any new intergovernmental funding opportunities to support identified Board priorities and plans, this report requests authority during the time period between Board meetings from July 22, 2026, to the next scheduled Board meeting (currently scheduled for December 15, 2026), to take actions necessary to secure funding in the interest of the TTC. Actions may include entering discussions with Provincial and/or Federal partners in consultation with the City of Toronto, including entering into agreements, or amendments, if required to secure intergovernmental funds.

This delegated authority would only be utilized if required to ensure Toronto receives its fair share of provincial and/or federal funding, and in circumstances where specific Board authority does not already exist.

Recommendation 4 in this report seeks to ensure the TTC has all required authorities to finalize and execute agreements, including future amendments for the receipt of funding. This authority is limited to the Board recess period.

Corporate Plan Alignment

Action 5.1.1 **Efficiencies in Business Processes**: streamlining and optimizing existing business processes to enhance operational effectiveness.

Financial Impact

There are no financial impacts associated with this report.

The Interim Chief Financial Officer has reviewed this report and concurs with this assessment.

Contact

Tharshini Markandaier, Head, Procurement & Category Management
(647) 473 - 9432
Tharshini.Markandaier@ttc.ca

Attachments

Attachment 1 – Decision History

Attachment 1 – Decision History

1. At its meeting on October 22, 2020, the Board delegated authority to the TTC CEO to issue a contract change with Bombardier Transportation Canada Inc. for the supply of 13 streetcars at an estimated cost of $140 million based on - negotiation of an acceptable agreement (satisfactory to the TTC CEO and General Counsel), negotiation of contract pricing for the initial order of 13 streetcars and fixed pricing on options for up to 47 additional streetcars equating to a combined total of 60 streetcars. In addition, the Board delegated authority to the TTC CEO to award up to two contracts for the supply and delivery of approximately 300 hybrid-electric buses for the estimated cost of approximately $390 million.
   TTC Fleet Procurement Strategy and Plan

2. At its meeting on February 10, 2022, the Board delegated authority to the CEO to enter into an agreement with PowerON Energy Solutions LP (a subsidiary of Ontario Power Generation Inc.) in the upset limit amount of $69.8 million for implementation of fleet electrification infrastructure and subject to the receipt of further funding commitments by TTC towards remaining fleet electrification infrastructure, to amend the agreement upset limit up to $591 million.
   Principal Agreement with PowerON Energy Solutions LP (OPG) to Decarbonize TTC Operations, Fleet, and Facilitates

3. At its meeting on April 14, 2022, the Board delegated authority to the TTC CEO to:

   a. Enter into contribution agreement(s), where required, with government partners to receive any net new funding / financing for the TTC's Green Bus program; and

   b. Subject to commitment of matching funds from provincial and/or federal government partners, amend existing and pending contract(s) to increase the eBus procurement quantity and associated infrastructure works in proportion to the additional funds committed.

   TTC's Green Bus Program: Final Results of TTC's Head-to-Head eBus Evaluation

4. At its meeting on February 28, 2023, the Board increased the CEO's delegated expenditure authority to a cumulative $15.0 million for the sole purpose of awarding or amending contracts for the procurement of goods or services to implement measures deemed necessary to respond to an emergency. Where an emergency is defined as any situation of extreme urgency brought about by unforeseeable events that makes the procurement of goods and services necessary to address an immediate risk to health, safety, security, cybersecurity, property, the environment or other public interests of the TTC and/or City.
   Community Safety Issues and Response

5. At its meeting on July 14, 2022, the Board increased the CEO's delegated authority from $5.0 million to $20.0 million to award and/or amend contracts necessary to ensure the continuation of TTC operations and the delivery of approved capital projects during the Board recess period, subject to confirmation of available funding.
   Delegation of Authority during the Board Recess

6. At its meeting of June 23, 2025, the Board approved a report that increased the delegated authority provided to the Chief Executive Officer to award and amend contracts, other than single source, up to an approved budgets to expedite procurements.
   Amendments to TTC Policy 6.5.1 (Authorization for Expenditures and Other Commitments) – Increasing Delegated Authority to Expedite Procurements