

Region of Waterloo
Corporate Services
Administration

To: Administration and Finance Committee
Meeting Date: December 6, 2022
Report Title: Use of Delegated Authority for Procurement Matters During the “Lame Duck” Period

1. Recommendation

For Information.

2. Purpose / Issue:

To advise Council of procurement awards made by the Chief Administrative Officer during the “Lame Duck” period from August 22, 2022 to November 14, 2022 using authority granted under by-law 22-018.

3. Strategic Plan:

The delegation supports Focus Area 5: Responsive and Engaging Public Service and specifically objective 5.4: Ensure the Region provides value for money and long term financial sustainability.

4. Report Highlights:

- The Region’s Delegation of Authority by-law 22-018 Section 4 d) (4) delegates authority to the CAO to take action during a “Lame Duck Period”, where such action is necessary to support the efficient operation of the municipal corporation and is otherwise restricted in accordance with Section 275 (3) of the Municipal Act.
- In circumstances where the proposed exercise of authority by the CAO results in the expenditure of funds in excess of an approved budget amount, the CAO is required to confer with the Regional Chair and report to Council on any actions taken under this delegation at the first regular meeting of the next term of Council.
- Such delegated authority was exercised three times during the recent lame duck period.

5. Background:

On three occasions during the lame duck period the CAO exercised authority granted under the by-law 22-018 which resulted in the expenditure of funds in excess of an approved budget amount. The three procurements were as follows:

- Request for proposal C2022-14 (Stage 2) Water Supply Strategy Update was awarded to C3 Water Inc. in the amount of \$1,069,300.23 plus all applicable taxes. The work under this contract includes developing a Water Supply Strategy to address evolving water supply and treatment needs to the planning horizon of 2051 and to align with the Region's Strategic Plan and updated Region Official Plan. The cost of the work exceeded the project budget by \$477,000 due to the incorporation of the Water Efficiency Master Plan update into the overall Water Supply Strategy. In addition, the updated residential and employment projections from the Region's Official Plan broadened the scope of some aspects of the Strategy. There are sufficient funds in 2022 to begin this work and staff will update the 2023-2032 Water Capital Program for this project to reflect the increased costs and program delivery of this contract.
- An increase to the contract with Capital Paving Inc. for T2022-128 New Parking Lot Construction, Region of Waterloo International Airport was approved in the amount of \$900,000 for a total contract price of \$6,782,000. The work under this contract includes the construction of a new parking lot, located on Airport lands with a connection onto Fountain Street, just south of the current airport development area and north of Kossuth Road. The increased costs related to additional topsoil removal, additional imported fill, and the addition of a parking lot building to be used as a small waiting area with washrooms, parking pay stations and an electrical/IT room. The additional costs will be funded from the Airport Development Charge Reserve Fund and the Airport Capital Reserve.
- Tender T2022-180 for the procurement and delivery of bulk 12% sodium hypochlorite solution from Lavo required for disinfection of treated water supplied throughout the Region was approved in the estimated amount of \$1,055,000.00 for a one (1) year term with the option to renew for three (3) additional one (1) year periods. Product supplied under this contract is in accordance with the Safe Drinking Water Act 2002 and all applicable standards and regulations. The approved 2022 Water Supply operating budget includes \$212,000 for 12% Sodium Hypochlorite. The annual tendered rate is estimated to be \$1,073,600 based on an estimated amount of chemicals to be used. The overall 2022 Water Supply operating budget can accommodate the increased costs to the end of 2022 due to savings in other areas. The preliminary 2023 Water Supply operating budget has been adjusted accordingly.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil.

7. Financial Implications:

The 2023 preliminary Water Services operating budget and 2023-2032 capital program have been drafted to include the impacts for the two Water Services related approvals. The Airport Capital Program has been amended to incorporate the additional costs associated with the contract increase for T2022-128.

8. Conclusion / Next Steps:

Nil.

9. Attachments:

Nil.

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