

ACTION

Subject: Contract Extension Approval - Rural Courier Services

Prepared by: Matthew Pritz, Manager, Business Services

Prepared for: Ottawa Public Library Board

Meeting of: April 16, 2012

Date of preparation: April 5, 2012

RECOMMENDATION:

That the Board approve Extension No. 4 Courier Services for the Ottawa Public Library with Dynamex Canada Corporation which brings the total value of the contract to \$104,450.28; and additional extensions up to a maximum of \$125,000 which may be required until a new contract for rural courier services has been awarded.

Background:

1. A Request for Quotation for provision of courier services to rural branches was issued by the Supply Branch and closed on January 10, 2008. On January 16, 2008, Supply Branch awarded a contract to the lowest responsive bidder, Dynamex. The value of the contract was \$23,260.00.
2. The initial period of the contract was for one year. Based on exemplary service, the contract was extended with no increase in cost. Extension No. 1 was approved by the Supply Branch on November 24, 2008 on behalf of the City Librarian for a cost of \$23,478.00.
3. Extension No. 2 was approved by the Supply Branch on December 23, 2009 on behalf of the City Librarian for a cost of \$23,478.00.

4. Extension No. 3 was approved by the Supply Branch on December 29, 2010 on behalf of the City Librarian for a cost of \$23,478.00.
5. In November 2011, OPL staff initiated a request for quotation for the provision of rural courier services with Supply Branch. This was timed in order to allow for the awarding of a new contract prior to the expiry of Extension No. 3 at the end of 2011.
6. Supply Branch was not able to proceed with OPL's request in the required time frame. As a result, it was recommended by Supply Branch to extend the agreement for an additional three month period while a new contract tender was prepared and subsequently awarded. Dynamex agreed to this extension in a letter to Supply Branch dated March 19, 2012. The value of Extension No. 4 from mid-December 2011 to March 31, 2012 is \$10,656.28.
7. Although Extension No. 4 conforms with the Purchasing By-law, it has resulted in a total contract value of \$104,450.28 which exceeds the Chief Executive Officer's delegated authority.

Analysis:

1. Library services in rural branches rely on external courier services provided through this contract.
2. Services must be maintained until a new contract can be awarded. If the total value of that contract is greater than \$100,000 it will be brought to the Board for approval prior to awarding.
3. It is now estimated that Supply Branch will have the procurement process finished in May, 2012 so approval is being sought for additional extensions up to a maximum contract value of \$125,000.
4. Supply Management has been consulted in the writing of this report and concurs with the recommendation.

Financial Implications:

Funding for rural courier services is available in operational cost centre 170004, courier services cost element 502122.