Minutes – Executive Policy Committee – November 14, 2007

REPORTS

Minute No. 14 Consultant Assignments – January 1 to December 31, 2006
File ST-7

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee received as information the Consultant Assignments for the period January 1 to December 31, 2006.

DECISION MAKING HISTORY:

Moved by Councillor Swandel,
That the Consultant Assignments for the period January 1 to December 31, 2006, be received as information.

Carried

ADMINISTRATIVE REPORT

RE: CONSULTANT ASSIGNMENTS FOR JANUARY 1 TO DECEMBER 31, 2006

FOR SUBMISSION TO: **Executive Policy Committee**

SUBMITTED BY: **Acting Chief Financial Officer**

REPORT DATE: **July 12, 2007**

RECOMMENDATION: **That this report be received as information.**

Report Summary

Key Issues:

- In response to the City Auditors report on the Use of Consultants dated June 2006, Corporate Finance worked with departments to draft a new format for future reporting on consultant assignments. This new report format was provided to EPC for their review on March 1, 2007.
- No consulting reports were submitted to Council for the third and fourth quarters of 2006. Departments were asked to submit their 2006 full year reports using the new format.

Implications of the Recommendation(s):

General Implications

X None
☐ For the organization overall and/or for other departments
☐ For the community and/or organizations external to the City of Winnipeg
☐ Involves a multi-year contract
Comment:

Policy implications

X No
☐ Yes
Comment:

Regulatory implications

X None
☐ Eliminates or reduces regulatory impact
☐ Proposes regulatory impact
Comment:

Environmental Implications

X No

☐ Yes

Comment:

Human Resource Implications

X No

☐ Yes

Comment:

Financial Implications

X Within approved current and/or capital budget

☐ Current and/or capital budget adjustment required

Comment: There are no financial implications as this is an informational report.

REASON FOR THE REPORT:

On March 24, 2004, Council adopted Item 1 of the Report of the Executive Policy Committee, dated March 10, 2004, delegating to the Chief Administrative Officer certain authorities of the Materials Management Policy. Under this policy, the Chief Administrative Officer is required to report quarterly on the assignment of consultants.

On August 11, 2004, Administrative Directive FM-002 was approved by the Chief Administrative Officer, re-confirming the previous direction that the Chief Administrative Officer is required to report quarterly to Council on the assignment of consultants.

DISCUSSION:

Consultant Assignments – January to December, 2006

No consulting reports were submitted to Council for the third and fourth quarters of 2006. The March 1, 2007 report to EPC noted that departments would be asked to submit their full year 2006 reports using the new format. Thereafter, departments would return to quarterly reporting of consultant assignments to Council using the new format.

Attached is information obtained from each department relating to consulting assignments for the full year of 2006. The new reporting format incorporates Recommendation 11 from the City Auditor's report on Use of Consultants dated June 2006 as follows:

We recommend that the Directive be revised to require quarterly reports on consultant services activity to include the following:

- *all consultant services assignments for which payments were made during the quarter,*
- *all contracts awarded during the quarter,*
- *the type of consultant and the purpose of each assignment,*
- *the method by which each assignment was awarded, and*
- *the total payments made to each consultant by project.*

For purposes of preparing this new report, consulting services are professional services provided directly to the City of Winnipeg. Professionals are defined in Directive FM-002 (Materials Management):

- Medical doctors, dentists, nurses, pharmacists, veterinarians, engineers, land surveyors, architects, accountants, lawyers and notaries (AIT* Professionals) (*Agreement on Internal Trade).

- Information technology consultants, communications consultants, management consultants, training consultants, accredited real estate appraisers, agrologists, dietitians, home economists, interior designers, occupational therapists, optometrists, physiotherapists, psychiatric nurses, psychologists, trainers, speech and hearing therapists and landscape architects (non-AIT Professionals).

The above definition excludes service contracts (e.g. elevator service, public surveys).

With respect to the solicitation of competitive offers, Directive FM-002, dated January 18, 2006 states:

- When the cost of the Consultant Services is estimated not to exceed $100,000, single source negotiations are permitted unless the work is major and/or complex in which case proposals must be invited from no less than three qualified firms or individuals and evaluated by the review committee.

- When the cost of the Consultant Services is estimated to exceed $100,000, the following shall apply:

    1) **AIT Professionals:** single source negotiations are permitted unless the work is major and/or complex in which case proposals shall be invited from no less than three qualified firms or individuals. Solicitation of Competitive Offers is available through the Materials Management Branch if desired.

    2) **Non AIT Professionals:** must be forwarded to the Materials Management Branch for Solicitation of Competitive Offers unless approval has been received for single source negotiations.

Changes have been made to Directive FM-002, and the revised Directive dated February 26, 2007 requires the following with respect to the solicitation of competitive offers:

- When the estimated value of the Consultant Services does not exceed $100,000, single source negotiations are permitted.

- When the estimated value of the Consultant Services exceeds $100,000, the following shall apply:

    1) **AIT Professionals:**
        (a) Where the estimated value of the Consultant Service does not exceed $500,000, single source negotiations are permitted.

(b) Where the estimated value of the Consultant Service exceeds $500,000 but does not exceed $2,000,000, proposals must be invited, by the department, from no less than three qualified firms or individuals, unless otherwise authorized by the Chief Administrative Officer.

(c) Where the estimated value of the Consultant Service exceeds $2,000,000, a Solicitation of Competitive Offers must, unless otherwise authorized by the Chief Administrative Officer, be issued through Materials Management.

2) **Non AIT Professionals:**

(a) Where the estimated value of the Consultant Service exceeds $100,000, a Solicitation of Competitive Offers must, unless otherwise authorized by the Chief Administrative Officer, be issued through Materials Management.

The 2006 Consultants Report has been prepared in accordance with Directive FM-002 dated January 18, 2006, as many consultants hired to work for the City in 2007 were hired in 2006. As a result, there will be a transition period as departments move to the more restrictive process for consultant assignments outlined in revised Directive FM-002, dated February 26, 2007.

A summary of 2006 consultant assignments retained by The City of Winnipeg are as follows:

Summary of 2006 Consultant Assignments

Department	Jan - Mar	Apr - Jun	Jul - Sept	Oct - Dec	Total
Audit	0.00	0.00	0.00	49,495.00	49,495.00
CAO Secretariat	2,000.00	0.00	0.00	16,150.00	18,150.00
City Clerk's	13,416.13	44,028.48	9,466.07	33,099.76	100,010.44
Community Services	106,302.65	58,945.42	59,149.12	3,600.00	227,997.19
Corporate Finance	49,574.25	68,710.39	26,819.57	62,633.57	207,737.78
Corporate Information Technology	393,017.40	32,765.38	24,877.35	13,214.00	463,874.13
Corporate Services	57,910.25	83,767.57	2,450.00	88,736.72	232,864.54
EPC Secretariat	0.00	0.00	0.00	0.00	0.00
Fire Paramedic Service	5,486.60	47,748.66	10,400.78	38,459.19	102,095.23
Fleet Management Agency	11,492.95	26,981.96	7,852.34	40,013.21	86,340.46
Planning, Property and Development	360,521.84	277,853.38	415,435.65	907,509.57	1,961,320.44
Property Assessment	21,235.52	0.00	0.00	0.00	21,235.52
Public Works	960,262.14	1,712,630.48	1,676,080.00	1,883,429.86	6,232,402.48
Transit	49,904.05	71,564.15	113,313.10	132,687.45	367,468.75
Water and Waste	4,483,170.43	5,800,511.06	7,522,645.23	7,701,325.68	25,507,652.40
Winnipeg Golf Services	0.00	23,632.10	17,447.12	5,149.48	46,228.70
Winnipeg Parking Authority	12,460.26	144.00	17,098.19	29,530.43	59,232.88
Winnipeg Police Service	50,668.04	181,464.13	22,275.40	72,843.10	327,250.67
Total	**6,577,422.51**	**8,430,747.16**	**9,925,309.92**	**11,077,877.02**	**36,011,356.61**

Detailed department consultant assignments are attached. Where the **Total Payment to Date for Entire Consultant Contract** does not exceed $100,000, no explanation has been provided for over-expenditures. However, where the **Total Payment to Date for Entire Consultant Contract** exceeds $100,000, an explanation has been provided for over-expenditures greater than or equal to 10% or $1,000,000, whichever is less.

Financial Impact Statement Date: June 29, 2007

No financial impact as this report is for informational purposes.

Michael P. Ruta
Corporate Controller

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:
All departments have submitted their list of consultant assignments for the creation of this report.

External Consultation With:

This Report Submitted By:

Department: Corporate Finance
Division: Corporate Controller's Division
Prepared by: Carrie Erickson



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