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October 16, 2001

To: The Board of Governors of Exhibition Place

From: Dianne Young  
General Manager & CEO

Subject: Notice of Motion – Amendment to Financial By-Law 2-99

**Recommendation:**

**It is recommended that the Board approve an amendment to Section IX (Awards) item 22 of the Financial By-Law No. 2-99 as outlined in this report.**

**Background:**

Section XVI (38-2) of By-Law No. 2-99 provides that notice of a proposed amendment to the By-Law must be given at a previous regular meeting of the Board and a copy of the notice of motion to amend is provided to the Members by the Corporate Secretary by regular mail, fax or electronic mail at least forty-eight (48) hours prior to the meeting at which it is to be considered.

**Discussion:**

Requests for Quotation (RFQs) for the Board's operational needs are issued through the services of the City of Toronto's Finance Department, Purchasing and Materials Management Division (PMMD) in order to establish blanket agreements which are used by staff to facilitate the procurement process. Typically RFQ's are used to establish agreements for ongoing service needs such as repairs to rolling steel doors, roofing, fencing, watermains and communications equipment, and rentals such as portable two-way radios and lift equipment, and material needs. The RFQ's issued are for a one-year term only.

In order to streamline the procurement cycle and obtain the best pricing, bidders are requested to submit optional pricing for a second year term. The one-year commitment to the successful bidder is usually in the form of a corporate purchase order issued by PMMD to be used on an "as and when needed basis" without the encumbrance of funds. Prior to expiry of the first year term of the agreement, staff reviews the performance and pricing of the supplier with the end user and determines whether to exercise the second year option of the RFQ. If the end user is satisfied with the supplier and the pricing is competitive a new corporate purchase order is issued for the second year term, otherwise a new RFQ is issued.

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THE BOARD OF GOVERNORS OF EXHIBITION PLACE

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The present By-Law is unclear as to the authority required to extend the purchase orders for an additional year. Therefore, it is recommended that Section IX (Awards) item 22 be amended to authorize the General Manager & CEO to make an award of a quotation of this type provided that the following conditions are met:

- that the RFQ allows for an optional second term at the discretion of the Board subject to satisfactory performance of the supplier;
- the total value of the award including the optional second year term is less than \$100,000; and
- that no funds are encumbered.

Conclusion:

This report gives notice to the Board to amend Section IX (Awards) item 22 of the Financial By-Law No. 2-99. The formal amendment will be presented to the November meeting of the Board.

Contact:

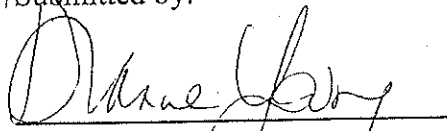
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Submitted by:



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Dianne Young  
General Manager & CEO