



Green Line Board **Report**

Item # 8.3
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GLB2021-1399

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GREEN LINE BOARD **Budget and Risk Committee**

September 24, 2021

Delegation of Authority for Execution of Contracts – Green Line

RECOMMENDATIONS

That the Green Line Board:

1. Approve the “Delegation of Authority” for the execution of contracts for Green Line as set out in Attachment 1, and recommend that the City Manager execute the Delegation of Authority; and
2. Direct the Green Line Program team to send the Delegation of Authority set out in Attachment 1 to the City Manager for execution in accordance with Bylaw 43M99.

HIGHLIGHTS / BACKGROUND

- A new Delegation of Authority for execution of contracts for the Green Line Program is required. Since the execution by the City Manager of the last Delegation of Authority in May 2020, City Council has passed the Green Line Board Bylaw and appointed a Green Line Board to oversee the Green Line Program. The Green Line Board has hired a Chief Executive Officer to manage the Green Line Program.
- The changes to governance of the Green Line Program require a new Delegation of Authority for the execution of contracts that aligns with the new governance structure and the Green Line Board Bylaw.
- A proper Delegation of Authority for the execution of contracts mitigates risk for The City of Calgary (“The City”) as the proper authority is given to the persons in the position and with the expertise to determine that the subject matter and risk allocation in the contract being executed reflects the perspective of The City.

DISCUSSION

The City’s Bylaw 43M99 authorizes the City Manager and City Clerk to execute all contracts, agreements, orders or other documents of The City that have been authorized by bylaw or resolution, specified by an enactment, or made or done by any authority other than Council. Bylaw 43M99 also provides the City Manager authority to delegate such authority to employees of The City.

The Green Line Board Bylaw authorizes the City Manager and City Clerk to execute the Project Agreements, which are the contracts for the purchase of light rail vehicles and the design-build-finance agreements for

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Phase 1 and Phase 2 of the Green Line Program, and any additional or amending funding agreements. Further, pursuant to Green Line Board Bylaw 21M2020, the City Manager has the authority to approve a delegation of authority for the execution of all other contracts for the Green Line Program.

Attachment 1 to this Report sets out the Delegation of Authority for the execution of contracts for the Green Line Program. The Delegation of Authority provides authority for the Chief Executive Officer (“CEO”) and Chief Operating Office (“COO”), as well as Directors of the Green Line Program to execute all Green Line Program contracts, with the exception of the Project Agreements or additional or amending funding agreements. It also provides the CEO and COO the authority to execute amendments to the Project Agreements, as may occur during the course of constructing the Green Line Program.

Internal processes for approving drawdowns on contingency as may be necessary for amendments to the Project Agreement or for approval of matters relating to the Project Agreements or the execution of general contracts will be established and approved by the Green Line Board.

Delegations of authority for P3 projects also play an important role in the closing documentation of the project, as they are also required to be submitted to the legal counsel of the lender for the successful proponent team to demonstrate that documents relevant to the project are, and will be, executed by persons with the proper delegated authority to execute the documents.

Therefore, the Green Line Program team recommends that the Board approve the attached Delegation of Authority for execution of contracts for the Green Line Program for execution by the City Manager, as set out in the above Recommendations.

IMPLICATIONS

Social / Environmental / Economic / Service and Financial Implications

Not applicable.

Stakeholder engagement and external communication

Public communication or engagement was not required on this matter.

RISKS

As noted above, a proper Delegation of Authority for the execution of contracts mitigates risk for The City because the proper authority is given to the persons in the position and with the expertise to determine that the subject matter and risk allocation in the contract being executed reflects the perspective of The City. It also expedites the conclusion of transactions because there is clarity for all parties regarding the authority for the execution of a contract or other document.

ATTACHMENT(S)

Attachment 1 – Delegation of Authority for Execution of Contracts

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Approved: D. Bhatti, I. Bourne (Chair, Budget & Risk Committee)