



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 24, 2014
SUBJECT/REPORT NO:	2013 Fourth Quarter Emergency and Non-Competitive Procurements Report (FCS13014(c)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Rick Male (905) 546-2424 ext. 4157
SUBMITTED BY:	Mike Zegarac Acting General Manager Finance & Corporate Services Department
SIGNATURE:	

Council Direction:

Council has directed staff to report on the use of Sections 4.10 and 4.11 of the Procurement Policy on a quarterly basis.

Information:

This report is issued quarterly in accordance with the Procurement Policy. This report details the procurement of goods and/or services during emergency situations and those detailed in Section 4.11 – Non-competitive Procurements for the fourth quarter 2013.

The Policy for Non-competitive Procurements is used in narrowly defined circumstances where it is justified that the policies for the general acquisition process could not be followed. The “Request to Use the Non-competitive Procurements/Emergency Reporting Form” is completed by the Client Department and approved by the General Manager.

During the fourth quarter of 2013, there were 67 purchases totalling \$3,221,714 which were processed through the use of approved Policy 10 and 11. These are summarized in Appendix ‘A’ to report FCS13014(c).

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The breakdown is as follows:

- Ten purchases totalling \$721,624 were issued under Policy 10, as “Emergency” purchases, whereby goods and services were acquired by the most expedient and economical means. The following purchases represent the largest dollar amount in this category:
 - Purchase order 72547 for \$176,404 was issued to North Gate Farms Ltd. Immediate golf course construction repairs were required to the Chedoke Golf courses, Beddoe and Martin, as a result of a severe storm on July 19, 2013. The storm had caused washed out sand bunkers and cart paths resulting in the courses being unplayable and unsafe for the members and the public. Immediate action was required to get the golf courses back up and open.
 - Purchase order 72765 for \$170,749 was issued to Troy Ontor Inc. As a result of an inspection done by the Ministry of Environment (MOE), proof was required that the isolation valve on the raw water supplying line to the ArcelorMittal (previously Stelco) pumping station could be closed to protect the City’s raw water intake from possible contamination due to backward siphoning. The City’s Plant Operations staff, in cooperation with Water Distribution staff, went to the site with Troy Ontor Inc. (Valve Specialist) to inspect the condition of existing valve and to determine its functionality prior to testing. It was determined by all parties involved that the existing isolation valve was inoperable and could not be rehabilitated.

A shutdown of ArcelorMittal’s production and the ArcelorMittal pumping station has been scheduled for July 13, 2014 to facilitate the required valve isolation and replacement to meet the regulatory requirements of the MOE.

- Four purchases totalling \$276,000 represent short-term “Extensions” of current contracts which have expired and unforeseeable circumstances have caused a delay in awarding a new contract. The following purchases represent the largest dollar amount in this category:
 - Contract C6-01-08 Broker of Record for General Insurance Services was extended to August 31, 2014 to Pearson Dunn Insurance Inc. for \$107,000. Staff have been working on a Request for Proposal which could not be finalized in time to meet an August 2013 appointment target. This contract extension will provide sufficient time to prepare the specifications and issue a Request for Proposals.
 - Contract C12-03-08 Various Painting and Wall Covering Services were extended to April 30, 2014 to Northern Painters Concco Group Ltd. for

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\$99,000. This contract extension will provide sufficient time to prepare the specifications and issue a Request for Proposals.

- 53 purchases totalling \$2,224,090 were identified as “Single Source” purchases whereby a particular vendor was recommended because it was more cost-effective or beneficial to the City. The following purchases represent the largest dollar amount in this category:
 - Purchase order 72428 for \$200,000 was issued to SGS Canada Inc. to undertake analytical laboratory testing of regulatory drinking water. The City had issued two Request for Pre-Qualifications within recent years for these services with only one successful applicant pre-qualifying from the second issuance. A third Request for Pre-qualification was issued resulting in two more applicants passing. A subsequent performance sample testing was required of all three applicants. SGS Canada Inc. was the only applicant to pass the required performance sample testing.
 - Purchase order 72842 for \$150,000 was issued to King Paving & Material Company for the milling and paving of Tenth Road East, Stoney Creek to repair severely potholed and broken sections of the entrance to the Vineland Quarry. A review by staff into possible remedies had identified that pulverization of existing roadway, replacement of asphalt pavement and guiderail adjustment was recommended. The work was required before year end due to operation aspects of the quarry and the half load restrictions in the spring.
 - Purchase order 72423 for \$140,000 was issued to Rankin Construction Inc. Work was required to be completed before year end to Chedoke Golf Course walkways and cart paths to satisfy risk related issues. Fall is considered the best time to complete the work and as such Rankin Construction Inc. undertook the work to satisfy the immediate requirement.

Requests for Quotations, Tenders and Proposals are issued to encourage the competitive bidding process with objective and equitable treatment of all vendors, in accordance with the Procurement Policy approved by Council.