



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	May 12, 2014
SUBJECT/REPORT NO:	2014 First Quarter Emergency and Non-competitive Procurements Report (FCS14013) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Mike Zegarac 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 first quarter 2014.

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 first quarter of 2014, there were 117 purchases totalling \$8,356,833 which were processed through the use of approved Policy 10 and 11. These are summarized in Appendix ‘A’ to report FCS14013.

The breakdown is as follows:

- 22 purchases totalling \$2,998,734 were issued under Policy 10, as “Emergency” purchases, whereby goods and services were acquired by the most expedient and economical means. The following purchase represents the largest dollar amount in this category:
 - Purchase order 74112 for \$1,000,000 was issued to WM Groves Ltd. for emergency water main and water service repairs at various locations throughout the City due to a significant increase in emergency water work. The emergency water work was as a result of extended periods of extreme cold over the winter period. An information update respecting the emergency water work was emailed to the Mayor and Members of Council and the City Manager on March 7th, 2014 from the Director of Hamilton Water, Public Works Department, City of Hamilton.
- 16 purchases totalling \$727,741 represent short-term “Extensions” of current contracts which have expired and unforeseeable circumstances have caused a delay in awarding a new contract. The following purchase represents the largest dollar amount in this category:
 - Contract C5-04-10, Refrigeration Maintenance Service within City of Hamilton Arenas, was extended to May 31, 2014 to Cimco Refrigeration for \$99,000. This contract extension will provide sufficient time to prepare specifications and issue a Request for Prequalifications and the subsequent Request for Tenders.
- Five purchases totalling \$522,150 were judged to be in “Short Supply” due to market conditions. The following purchase represents the largest dollar amount in this category:
 - Purchase order 73532 for \$200,000 was issued to 2257005 Ontario Inc./Unisan Facility Resource for the supply and delivery of road salt required for winter operations. Due to the high demand of road salt during the 2013/2014 winter season, the City’s contractor of pickled sand mix had been cut off by their supplier of salt which is required for the pickled sand mix. The Roads & Maintenance section engaged 2257005 Ontario Inc./Unisan Facility Resource in order to supply the City’s contractor with road salt to ensure a continued supply of pickled sand mix and to preserve the City’s own inventory of salt.
- 74 purchases totalling \$4,108,208 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 73338 for \$245,000 was issued to G4S Secure Solutions (Canada) Ltd. for uniformed security guard services, patrol services and security alarm guard response at various Corporate Assets and Strategic Planning facilities. The City's contract for security services ended due to the vendor going into receivership and could no longer continue the contract. As a result, G4S Secure Solutions (Canada) Ltd. was immediately engaged under Policy 10 – Emergency Procurements to ensure that security of Corporate Assets and Strategic Planning facilities was maintained. To avoid additional start-up costs of changing uniforms and transitioning of staff involved in engaging a new vendor, G4S Secure Solutions (Canada) Ltd. will continue to maintain these services in order to bridge the time required to complete a competitive procurement process.
- Purchase order 73824 for \$220,000 was issued to Servicemaster Contract Services for janitorial cleaning services at various City of Hamilton libraries. The contract for janitorial cleaning services at libraries was not renewed for a subsequent term due to numerous vendor performance incidences and the inability of the previous vendor to satisfactorily provide corrective action. As a result, Servicemaster Contract Services was engaged to provide these services to City libraries as the company currently provides janitorial services under the City's corporate contract and is capable of supplying the volume of service required. Janitorial services for libraries will be issued as a Request for Tenders to establish a contract to expire in December 2015. At that time, library facilities will be incorporated into the City's corporate contract.
- Purchase order 74196 for \$200,000 was issued to XCG Training and Operation Consultants Ltd. to perform and complete an environmental Record of Site Condition for the City property located at 1579 Burlington Street. XCG Training and Operation Consultant Ltd. has been performing on-site monitoring, testing and remediation work at the site for the past decade, and as such, was best qualified to undertake a Record of Site Condition based on their extensive and in-depth knowledge of the issues at the site.

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.