



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	September 14, 2015
<b>SUBJECT/REPORT NO:</b>	2015 Second Quarter Emergency and Non-competitive Procurements Report (FCS15014(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Rick Male (905) 546-2424, ext. 4157
<b>SUBMITTED BY:</b>	Cindy Mercanti <i>Acting</i> General Manager Finance & Corporate Services Department
<b>SIGNATURE:</b>	

## **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 second quarter 2015.

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 second quarter of 2015, there were 128 purchases totalling \$8,038,003 which were processed through the use of approved Policy 10 and 11. These are summarized in Appendix ‘A’ to Report FCS15014(a).

**SUBJECT: 2015 Second Quarter Emergency and Non-competitive Procurements  
Report (FCS15014(a)) (City Wide) Page 2 of 4**

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The breakdown is as follows:

- 11 purchases totalling \$856,784 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 78781 for \$346,413 was issued to McCanical Inc. to provide all labour, equipment and materials necessary to complete emergency repairs to the Woodward Avenue Water Wastewater Treatment Plant South Secondary Clarifier Return Activated Sludge (RAS) Archimedes Screw Pump. It was discovered that the screw pump was non-operational due to a bend in the shaft. This resulted in reduced RAS pumping capacity by one-third which the Operations Division depends on to keep the plant in compliance as it maintains a steady state flow condition. Investigations and repairs were required to bring the facility back up to its original operational integrity.
  - Purchase Order 79166 for \$144,796 was issued to Budget Environmental Disposal Ltd. for equipment, tools and labour for the supply and installation of a temporary parking lot required for the Pan Am Games. Costs are being reimbursed per the Transportation Transfer Payment Agreement with Pan/Parapan Am Games Secretariat and Ministry of Transportation.
- 12 purchases totalling \$1,103,674 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:
  - \$300,000 was issued to Merlo Electric Inc. for small electrical repairs. The contract extension was required to provide sufficient time to develop specifications and to issue and award a Request for Proposals in order to implement a new City-Wide corporate contract for these services.
  - Purchase Order 74575 for \$200,000 was issued to 1502701 Ontario Ltd. o/a Moffatt Equipment Enterprises Inc. for emergency and scheduled cleaning, repair, removal and disposal of debris at various stormwater inlets and outfalls and watercourse bank remediation at various locations throughout the City. The contract extension was required to provide sufficient time to issue and award a Request for Tenders in order to implement a new contract for these services.
  - Purchase Order 79192 for \$185,000 was issued to Olin Canada ULC M2134 for the supply and delivery of liquid chlorine. The contract

**SUBJECT: 2015 Second Quarter Emergency and Non-competitive Procurements  
Report (FCS15014(a)) (City Wide) Page 3 of 4**

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extension was required to provide sufficient time to issue and award a Request for Proposals in order to implement a new contract for these goods and services.

- 105 purchases totalling \$6,077,545 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 79148 for \$249,000 was issued to Rankin Construction Inc. for road rehabilitation of Fairholt Drive from Main Street to King Street. This work was added to the scope of work under contract C15-33-14 (HW) – Delta East Neighbourhood Road Resurfacing and Associated Work in order to complete prior to the Pan Am Games.
  - Purchase Order 76098 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 Policy 11 approval was required to bridge services up to award of contract. Contract was awarded on April 27, 2015.
  - Purchase Order 78185 for \$244,950 was issued to Moon-Matz Ltd. for professional engineering services for detailed electrical engineering of the 2015 high-wattage LED retrofit. This engineering work was required to supplement the continuation of the electrical pre-engineering assignment previously obtained through the Roster Contract.
  - Purchase Order 79097 for \$234,795 was issued to Glentel Inc. for radio communications, next stop announcement and automated vehicle location systems in new expansion buses. The single source was required to bridge Glentel Inc. as the standardized supplier of parts and installation until such time that approval was received from Council to extend the standardization with Glentel Inc. Council carried Public Works Committee Report 15-010, item 1. Standardization Extension Bus Radio and Stop Announcement System Parts and Services (PW15055) (City Wide) (Item 5.1) on July 10, 2015, which extended the standardization with Glentel Inc. for the period of 2015 through to 2019.
  - Purchase Order 78564 for \$225,000 was issued to Design Concrete Systems Ltd. for labour, equipment and material necessary to design and construct a barrier fence on the east and west side of the water filtration building at the Woodward Water Plant site. The fence was required within a short timeframe to strengthen and secure the site.

**SUBJECT: 2015 Second Quarter Emergency and Non-competitive Procurements  
Report (FCS15014(a)) (City Wide) Page 4 of 4**

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- Purchase Order 78786 for \$200,000 was issued to Kone Inc. for compliance repairs and safety modification to passenger elevators required at Hamilton Place in order to meet the TSSA compliance order deadline of May 1, 2015.
- Purchase Order 78565 for \$200,000 was issued to Hamilton Port Authority (HPA) for contract tendering, administration and inspection for remedial work on a storm sewer outlet at Pier 14 in Hamilton Harbour. HPA intends to complete repair work on their own infrastructure scheduled to overlap the timelines of remedial work to be completed by the City. As such, both projects (HPA's and the City's) are being tendered and constructed under one contract with HPA as the lead.
- Purchase Order 79095 for \$180,000 was issued to Aquafor Beech Ltd. for engineering services to complete the Old Dundas Road Sewage Pumping Station (HC005) Schedule 'C' Class Environment Assessment for an emergency overflow pipe. In 2014, Aquafor Beech Ltd. had completed the Old Dundas Road Sewage Pumping Station (HC005) Wet Weather Relief Master Plan and Class Environment Assessment. The study was very complex and required Aquafor Beech Ltd. to complete hydrologic and hydraulic modelling of the sanitary sewer network, field investigations and the conceptual design of the emergency overflow. As such, it was most cost effective and time efficient to engage Aquafor Beech Ltd. to complete Schedule 'C' Class Environment Assessment as Aquafor Beech Ltd. had completed Phases 1 and 2 of the Environment Assessment through the Master Plan process. It was determined that engaging another consultant would result in a significant amount of unnecessary extra time and cost to get a new consultant up to speed on the project.
- Purchase Order 78212 for \$119,980 was issued to Aquafor Beech Ltd. for engineering services to complete the Old Dundas Road Sewage Pumping Station (HC005) inline storage detailed design and contract administration. In 2014, Aquafor Beech Ltd. had completed the Old Dundas Road Sewage Pumping Station (HC005) Wet Weather Relief Master Plan and Class Environment Assessment. The study was very complex and required Aquafor Beech Ltd. to complete hydrologic and hydraulic modelling of the sanitary sewer network, field investigations and the conceptual design of the inline storage option. As such, it was most cost effective and time efficient to engage Aquafor Beech Ltd. to complete the detailed design and contract administration for the inline storage. It was determined that engaging another consultant would result in a significant amount of unnecessary extra time and cost to get a new consultant up to speed on the project.