



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 06, 2016
SUBJECT/REPORT NO:	2016 First Quarter Emergency and Non-Competitive Procurements Report (FCS16045) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Rick Male (905) 546-2424 Ext. 4157
SUBMITTED BY:	Mike Zegarac General Manager Finance and Corporate Services Department
SIGNATURE:	

Council Direction:

Council has directed Procurement 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 and 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 2016.

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 “Emergency Procurement/Non-Competitive Procurement Form” is completed by the Client Department and approved by the General Manager.

During the first quarter of 2016, there were 119 purchases totalling \$5,979,852 which were processed through the use of approved Policy 10 and 11. These are summarized in Appendix “A” to Report FCS16045.

**SUBJECT: 2016 First Quarter Emergency and Non-Competitive Procurements
Report (FCS16045) (City Wide) - Page 2 of 4**

The breakdown is as follows:

- 3 purchases totalling \$119,637 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 81488 for \$80,484 was issued to J&J Millwrighting Inc. to provide all labour, equipment and materials for emergency repairs to the Biosolids loading system. It was discovered that the #8 Biosolids loading screw conveyor had failed. Investigation into the failure had determined that the screw had suffered a catastrophic failure which could not be repaired by the City of Hamilton (City) maintenance staff. J&J Millwrighting Inc. was engaged to undertake all repairs necessary to restore the facility back up to its original operational integrity.

- 24 purchases totalling \$1,543,675 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 C12-02-11 – Supply and Delivery of Print/Copy, Business Cards/Envelopes/Letterhead and Mail Services was required to be extended to provide sufficient time for the department to develop specifications and to issue and award a Request for Tenders in order to implement a new contract. The following vendors currently provide services under C12-02-11, with an extension to each vendor as follows:
 - Purchase Order 64030 for \$100,000 was issued to Swiaty Investments Inc. o/a Minuteman Press Stoney Creek;
 - Purchase Order 75842 for \$100,000 was issued to 723318 Ontario Inc. c.o.b. as Athens Printing; and,
 - Purchase Order 76089 for \$100,000 was issued to 1215553 Ontario Ltd. o/a Allegra.

 - Purchase Order 81176 for \$190,912 was issued to Sunshine Building Maintenance Inc. for janitorial services to nineteen Community Service and Recreation Operation facilities consisting of indoor aquatic and recreation facilities. The contract extension is required to provide sufficient time to complete the procurement process and award the new janitorial contract.

 - Purchase Order 81303 for \$115,000 was issued to Arsenal Cleaning Services Ltd. for janitorial services to all libraries. The contract extension is required to provide sufficient time to complete the procurement process and award the new janitorial contract.

**SUBJECT: 2016 First Quarter Emergency and Non-Competitive Procurements
Report (FCS16045) (City Wide) - Page 3 of 4**

- 92 purchases totalling \$4,316,541 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 81194 for \$249,999 was issued to Metrolinx to repair damaged PRESTO equipment. Metrolinx is the only supplier of all spare parts for PRESTO equipment.
 - Purchase Order 81675 for \$174,303 was issued to Nature’s Instruments Inc. for the supply and installation of outdoor classroom structures, irrigation system and tree planting. Nature’s Instruments will also be incorporating a community build component where residents and high school students are provided opportunities to develop job skills and to promote ownership of the urban farm by residents. The department had researched many other contractors, construction firms, landscapers, trade schools and team/community building organizations, but found only Nature’s Instrument Inc. has the ability to provide construction, landscaping and community event planning and logistics with the ability to integrate these services with opportunities for the community to participate in meaningful skills training and community engagement activities.
 - Purchase Order 81338 for \$166,000 was issued to Mohawk Shared Services Inc. for linen supply and cleaning services. Mohawk Shared Services is a not-for-profit cooperative regional shared-services organization (SSO) which provides linen/laundry and a variety of other services to regional hospitals and has provided fully acceptable contracted linen service to the Paramedic Service since 2000. Integrating contracted linen/laundry service with the existing hospital system achieves benefits through economy of scale and enables the Paramedic Service to avoid having to establish a duplicate, parallel system or incur the significant cost (and waste generation) of using disposable linen. Ontario Paramedic Services invariably partner with regional SSO for this service when possible.
 - Purchase Order 80943 for \$143,861 was issued to M D Charlton Co. Ltd. for TASER Conductor Energy Weapon cartridges and accessories. TASER is the only Conducted Energy Weapon approved for use in Ontario. M D Charlton Co. Ltd. is the exclusive distributor of TASER.
 - Purchase Order 80913 for \$124,970 was issued to Crestline Coach Ltd. for the supply and delivery of an ambulance. Per report HES12015 Standardization of Ambulance Fleet Purchases approved by City Council in 2012, the purchase and conversion of ambulances was standardized to Demers Ambulance Manufacturer, with market conditions to be reassessed every three years. Currently, Demers and Crestline are the only manufacturers of type III ambulances approved by the Ministry of Health and Long-Term Care for use in

Ontario. Preliminary assessments by the department have indicated that the Crestline ambulance has improved significantly since 2012 and other Ontario Services have found Crestline fully acceptable. In order to do a full assessment and produce a valid recommendation to Council for future standardization, the department is conducting a rigorous comparative evaluation of both the Demers and the Crestline ambulances in 2016. The Crestline was purchased for the evaluation, as a rental was not possible and borrowing from another service was not practical. The trial ambulance will be used to its full life cycle regardless of if the ambulance is or is not recommended to be a standard for the City. Crestline ambulances share a common Ford vehicle chassis as the current standardized Demurs ambulance and as such the mechanical implications are not significant. The purchase cost of the Crestline is comparable to Demurs; no additional initial cost is expected and the evaluation may reveal that savings in life-cycle costs may be realized through selection of one model over another.

- Purchase Order 80994 for \$124,488 was issued to Siemens Canada Ltd. for maintenance of three systems consisting of fire and life safety, security access control/CCTV/intercom and building automation at Tim Hortons Field. The systems are currently under warranty which requires maintenance be performed by Siemens Canada Ltd. otherwise the warranty would become null and void.

- Purchase Order 81650 for \$122,200 was issued to Lexisnexis Risk Solutions Inc. for the supply of the Automated Tactical Analysis of Crime Workstation and ATACRAIDS enterprise solution providing software and services for regional crime and predictive analysis. Upon completion of significant research which included attending several crime analysis conferences and consulting with numerous North American police services, it was determined that Lexisnexis Risk Solutions Inc. provided the only product that met the Hamilton Police Services needs. Competing business intelligence solutions are typically cost-prohibitive and require substantial in-house development and long term dedicated programmers and super analyst to create automated dashboards/reports. Lexisnexis Risk Solutions Inc. provides an affordable off-the-shelf product that does not require dedicated computer services support or dedicated and trained personnel to support ongoing development of the system. It is the most practical, tactical policing tool in the field with a focus on real-time visualization of crime issues and mimics the workflow of frontline/investigators compatible with the existing network infrastructure with a proven track record with other agencies.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS16045 – 2016 First Quarter Emergency and Non-Competitive Procurements Report

RM/dw