



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	March 6, 2017
SUBJECT/REPORT NO:	2016 Fourth Quarter Emergency and Non-Competitive Procurements Report (FCS16045(c)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maryanne Morris (905) 546-2424 Ext. 4346
SUBMITTED BY:	Rick Male Director of Financial Services and Corporate Controller 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. The 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 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 fourth quarter of 2016, there were 75 purchases totalling \$3,526,442 which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS16045(c).

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The breakdown is as follows:

- 12 purchases totalling \$309,575 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 83531 for \$49,840 was issued to McCanical Inc. to provide labour, equipment and materials to complete emergency repairs to the Woodward Avenue Wastewater Treatment Plant Digester Thickened Waste Activated Sludge (TWAS) line break. Staff had discovered thickened waste activated sludge on the ground behind the north digester complex. It was determined that the sludge was leaking out of an electrical conduit from the floor in the Motor Control Centre (MCC) Building beside the digesters and that the TWAS feed piping to the digesters had failed. The MCC panels were also full of sludge causing the thickened waste activated sludge gravity belt thickeners and primary digesters #4 and #5 to be inoperable. Emergency repairs were undertaken to bring the facility back to its original operational integrity.

- 3 purchases totalling \$485,000 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:
 - \$240,000 was issued to EMCO Corp. for the supply and delivery of various water distribution parts. The extension was required to provide sufficient time to complete the procurement process and award the new contract.
 - Purchase Order 78595 for \$200,000 was issued to Pipeflo Contracting Corp. for capital sewer inspection services. The extension was required to provide sufficient time to complete the procurement process and award the new contract.

- 60 purchases totalling \$2,731,867 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 83643 for \$197,610 was issued to Greenlane Biogas North America Ltd. (Greenlane) to complete the biogas unit upgrade at the Woodward Avenue Wastewater Treatment Plant. The biogas unit is designed to upgrade the quality of the methane produced through the wastewater treatment process to meet the specifications and requirements of Union Gas standards. Greenlane is the original designer and manufacturer of the biogas unit and has been providing

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services and repairs to the unit to date. Greenlane has the engineering capability and expertise to undertake the work, along with the experience from having constructed many similar units, since the City's biogas unit was first designed and built.

- Purchase Order 83617 for \$146,606 was issued to Accessories Machinery Ltd. for the purchase of one articulating sidewalk sweeper. Staff tested various types of sweepers and determined the articulating model was best suited for the City's needs. Accessories Machinery Ltd. is the only supplier with the articulating feature required by the City.
- Purchase Order 84040 for \$144,728 was issued to ICOR Technology (ICOR) for the purchase of a remote operated vehicle (ROV) with applications for explosive and tactical operations. The Hamilton Police Service Explosive Disposal Unit's existing ROV utilizes dated technology with limited operating range and reception causing frequent loss of signal making it difficult to rely on. Furthermore, when the existing ROV malfunctions or requires repairs there are major delays in acquiring parts as the existing ROV is serviced through a Canadian distributor on behalf of the parent company based in Ireland. The delay in acquiring parts reduces the operational service capability and comprises safe deployment. The ROV from ICOR is made in Canada and supported in Ontario allowing for immediate response time and repair, as well as utilizes current technology. The ICOR ROV is also the operating platform used as the training standard for technicians nationally. This would allow for the added benefit of interoperability between various Police agencies should another agency need to borrow the ROV in an emergency situation.
- Purchase Order 84086 for \$103,200 was issued to Cona Contracting Inc. (Cona) for sanitary and water line services from Dundas Street to the building property line at Waterdown Memorial Hall. The current general contractor was unable to secure services of a civil contractor prior to end of year, before winter conditions prevented the civil work from being completed. As such, Cona was hired to complete the civil work as soon as possible to ensure work was completed before the winter season and to help expedite the completion of the Waterdown Memorial Hall project.
- Purchase Order 83953 for \$102,590 was issued to Oracle Canada ULC (Oracle) for the purchase of PeopleSoft Enterprise Recruiting Solutions – Enterprise Employee Perpetual software license and support. Currently, Human Resources has a partial license for recruiting software in PeopleSoft (PeopleSoft is the City's Enterprise Resource Planning system provided by Oracle). The partial software has had many customizations over time; by upgrading from a partial license to a fully licensed software solution, the City will receive enhanced functionality while streamlining the customizations which in turn will provide long term savings in the way of upgrade efforts. Also, it is recommended to stay with the current provider

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of this software as moving to another software provider would require development and implementation of a complex integration with PeopleSoft which would be costly and result in the loss of existing functionality.

APPENDICES AND SCHEDULES ATTACHED

Appendix "A" to Report FCS16045(c) – 2016 Fourth Quarter Emergency and Non-Competitive Procurements Report

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