

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	September 11, 2017
SUBJECT/REPORT NO:	2017 Second Quarter Emergency and Non-competitive Procurements Report (FCS17011(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Rick Male Director, Financial Services, Taxation and Corporate Controller 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. 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 second quarter 2017.

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 second quarter of 2017, there were 94 purchases totalling \$5,073,274 which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS17011(a).

OUR Vision: To be the best place to raise a child and age successfully.

OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.

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The breakdown is as follows:

- 8 purchases totalling \$725,080 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:
 - \$471,320 was issued to McCanical Inc. for the following work:
 - Purchase Order 85907 for \$249,820 was issued to provide all labour, equipment, and materials necessary to complete emergency repairs to the Dundas Water Wastewater Treatment Plant B Secondary Settling Tanks. It was discovered that fastening bolts holding the v-notch weir plates in Secondary Settling Tank 2 had failed causing a number of weir plates to fall into the tank. With the loss of the weir plates the hydraulic profile of the plant has been short-circuited allowing larger volumes of effluent and floatables to be released impacting downstream filter operation. Additionally, when the weir plates fell they damaged the sludge collection system in Secondary Settling Tank 2. The emergency repairs were required to the Secondary Settling Tanks to bring the process back up to its original operational integrity.
 - Purchase Order 85911 for \$221,500 was issued to provide all labour, equipment, and materials necessary to complete emergency repairs to the HCS05 Eastwood Park CSO flushing system. The City was unable to adequately clean HCS05 Eastwood combined sewer overflow tank due to a damaged water supply which was beyond the City’s capacity/resources to repair. It was imperative that the flushing system be repaired and made operational, as such, emergency repairs were necessary to bring the facility back up to its original operational integrity.
- 4 purchases totalling \$277,000 represent short-term “Extensions” of current contracts which have expired and unforeseeable circumstances have caused a delay in awarding a new contract. The following purchase represents the largest dollar amount in this category:
 - Purchase Order 74059 for \$200,000 was issued to RJ Cramm Electric (1999) Ltd. to maintain and upgrade street lighting infrastructure requiring re-lamping of luminaires and replacing of such items as poles, wiring and ducts due to faults and other various issues. The extension was required to provide sufficient time to complete the procurement process and award the new contract.

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- 82 purchases totalling \$4,071,194 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:
 - \$349,540 was issued to GM BluePlan Engineering Ltd. (GM BluePlan) for the following work:
 - Purchase Order 79812 for \$200,000 was issued to provide screening and development application approval support services for water servicing. GM BluePlan was originally retained under the City’s Professional Consultant Services Roster contract. Since retaining GM BluePlan’s services, changes in staff resources and an increase in volume of development activities required additional services from GM BluePlan to process the high volume of development applications and maintain the integrity of the City’s Corporate initiative "Open for Business" for a high level of customer service to the development community. The additional services will continue to be charged in accordance with the hourly rates established under the Professional Consultant Services Roster.
 - Purchase Order 83641 for \$149,540 was issued for detailed wastewater servicing analysis along the Light Rail Transit (LRT) Corridor and downstream for identifying the capital requirements for wastewater infrastructure along the corridor. GM BluePlan was originally retained under the City’s Professional Consultant Services Roster contract to undertake the modelling exercise for assessing the wastewater servicing analysis due to the LRT construction and subsequent growth intensification along the corridor. Since retaining GM BluePlan, Council approved the proposed LRT route be extended up to the Eastgate Mall resulting in additional services as follows: (1) analysis requirements for the extension of the LRT corridor and its impacts along the sewer network at the downstream, (2) analysis for blending sanitary and storm sewers into a single combined sewer along the proposed corridor, (3) modelling support for LRT implementation during "in-market" process, and (4) Ministry of the Environment and Climate Change approval in Environmental Compliance Approval and Design Application Supports. GM BluePlan had all the preliminary information and background material for the area and as such it was most economical and efficient to continue to retain services from GM BluePlan versus undergoing a competitive procurement process or assigning the services to a different vendor.
 - Purchase Order 85887 for \$247,243 to Remix for a transit software program which provides easy map-based route manipulations that instantly demonstrates

how changes to a route would affect population coverage (based on Statistics Canada data) and at the same time show the financial cost of providing the service. The software will be critical in guiding future service enhancements as contained in the 10 Year Local Transit Strategy and in evaluating long range network plan scenarios as well as assessing future network reconfigurations and detours. Remix software is one of two known transit planning software in North America. The other product on the market was not suitable for the high level scenario testing that the City intends to use the software for.

- Purchase Order 85945 for \$219,295 to A.J. Clarke & Associates Ltd. (A.J. Clarke) to provide peer review services for the review and approval of the engineering drawing submission for the balance of the Waterdown Bay Phase 2 Development lands (25T-200513). A.J. Clarke was retained by the City to provide the peer review for the engineering submission for the first phase of the Waterdown Bay Phase 2 (25T-200513) subdivision. The cost of the engineering peer review was 100% paid by the Developer. Since then, the Developer has approached the City to have their engineering submission for the balance of the lands reviewed by A.J. Clarke & Associates Ltd. The City currently does not have the staff resources to give this project priority. However, the Developer is interested in expediting their development and is prepared to pay 100% of the costs for the peer review services.
- Purchase Order 85481 for \$190,000 to Bell Canada (Bell) to upgrade Hamilton Police Services (HPS) legacy phone system which Bell is decommissioning. As Bell currently owns the communication circuits to all locations the transition to a new system will be seamless and transparent with an estimated cost savings of \$400,000 annually from switching over from the legacy system to the upgraded system. Staying with the current provider also allows HPS to slowly migrate sites in phases and have a hybrid infrastructure of Centrex 1.0 and Centrex 2.0 with minimal impact to the service. The upgraded service is a fully hosted solution which includes all maintenance, support and upgrades including 24x7 real-time monitoring. In addition, Bell is the only carrier to provide geo-graphic redundancy for all voice communications and can guarantee end-to-end communication unlike any competitor.

Appendices and Schedules Attached

Appendix “A” to Report FCS17011(a) – 2017 Second Quarter Emergency and Non-Competitive Procurements Report

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