

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 7, 2017
SUBJECT/REPORT NO:	2017 Third Quarter Emergency and Non-competitive Procurements Report (FCS17011(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Maryanne Morris (905) 546-2424 Ext. 4346
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 third 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 third quarter of 2017, there were 61 purchases totalling \$3,987,557 which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS17011(b).

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The breakdown is as follows:

- 12 purchases totalling \$2,152,695 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 86628 for \$854,081 was issued to Moffatt Equipment 1502701 Ontario Ltd. for emergency pumping, cleaning of inlets and outlets, drainage improvements, and pipe and manhole installation at various City of Hamilton (City) locations affected by extreme rainfall events and high water levels in Lake Ontario. Work is expected to continue until the water levels subside.
 - Purchase Order 86495 for \$601,823 was issued to Ground Force Environmental Inc. for the removal of existing fuel and lubricant tanks including supply, installation and commissioning of new fuel and lubricant tanks at various locations across the City. The City had issued a Request for Tenders (RFT) for these services; however, no compliant bids were received. The RFT could not be re-issued for two primary reasons. Firstly, time constraints did not allow the re-issuance of the RFT as an order to comply issued by the Technical Standards & Safety Authority (TSSA) required the removal of one of the tanks by July 2017. Secondly, the City had issued a RFT with the requirement of the general contractor having to be signatory to the Carpenters’ District Council of Ontario of the United Brotherhood of Carpenters and Joiners of America (Carpenters’ Union) as directed by the Hamilton-Halton General Contractors Association (HHGCA). The City received four bids and prices were made public, however, upon review of the bid submissions it was confirmed that all four bidders were not signatory to the Carpenters’ Union resulting in rejection of all bids. In discussions with HHGCA they later provided the City confirmation to remove the requirement of awarding the contract to a general contractor signatory to the Carpenters’ Union. However, since pricing of the rejected bids was made public, there was concern that if the City re-issued a RFT it would be seen as bid shopping. As such, to ensure services were received in time to comply with the TSSA order and avoid possible litigation due to re-issuing the RFT, the City proceeded via Policy 10 – Emergency Procurement to engage the lowest bidder of the RFT for these services.
 - Purchase Order 86574 for \$299,695 was issued to Rankin Construction Inc. to install a new culvert, reinstate the road embankment and restore York Road. As a result of a shoulder and culvert failure during one of the initial storms in May 2017, York Road was closed in the interest of public safety. York Road required significant rehabilitation, including replacement of the culvert and guardrail and

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the installation of a curb and gutter to control storm flow. York Road was reopened to Traffic on June 5, 2017.

- 3 purchases totalling \$73,892 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:
 - \$45,000 was issued to Unisync Group Limited for supply and delivery of clothing for City of Hamilton employees. The extension was required to provide sufficient time to complete the procurement process and award the new contract. The new contract is expected to be in place for 2018.
- 46 purchases totalling \$1,760,970 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:
 - \$196,130 was issued via various purchase orders (86605, 86478 and 86734) to Motorola Solutions Canada Inc. for parts and accessories required for repair and maintenance of Motorola radio equipment including purchase of replacement radios used by Police Services. Parts and accessories must be purchased from Motorola Solutions Canada Inc. to work with the existing radio system.
 - Purchase Order 79254 for \$149,668 was issued to RV Anderson Associates Ltd. for additional engineering consulting services associated with the Woodward Water Wastewater Treatment Plant Primary Digester # 4 Cleaning and Mixer Refurbishment project. RV Anderson Associates Ltd. (RV Anderson) was engaged under contract C12-07-14 - Professional Consultant Services Roster 2015-2016 Engineering Services & Information Services in June of 2015 for the design, tendering, and contract administration services related to the cleanout and mixer refurbishment of Primary Digester # 4. It was identified the original scope failed to address the requirements of the Canadian Standards Association digester gas code, including, the addition of a roof-mounted emergency pressure relief hatch, modifications to the safety relief hut to create adequate ventilation, and refurbishment of the gas seal and safety equipment required to pass the Technical Standards & Safety Authority pressure test (a prerequisite prior to going back into service). As RV Anderson had been involved with the project since inception and completed substantial work on the tender documents, it was in the best interest of the City to maintain RV Anderson as the consulting engineer for the project. As well, RV Anderson's Digester Specialist is an expert in the construction and maintenance of digester systems, which adds significant value to the project.

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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- Purchase Order 86353 for \$140,000 was issued to Water Matrix to run a pilot project using innovative technology to detect non-revenue water leaks by analyzing spectral images from satellites. Water Matrix is the only company in Canada that provides this type of service. The company has the ability to take a snapshot of the City and screen the watermain lines that are within the boundaries of the satellite sensor footprint for leaks. It is anticipated that a large volume of leaks can be found with a single capture using this technology. Non-revenue water is a growing concern and this technology could help identify problem areas at a low cost.
- Purchase Order 86720 for \$126,466 was issued to Paradigm Software LLC for upgrades to the existing weigh scale software in place for the management of transactional processing at the City's waste management facilities. In 2010 the City had issued a Request for Proposals (RFP) for this software which was awarded to Paradigm Software LLC. Since then, the original software version has aged and is now in need of upgrades to improve workflow configuration, data entry, auditing capabilities, with enhancement to the database and security. The cost to continue with the Paradigm Software LLC and upgrade the current system would be substantially lower than if the City were to issue a RFP for a new software provider (projected cost of a new software provider is estimated at \$450,000).

Appendices and Schedules Attached

Appendix "A" to Report FCS17011(b) – 2017 Third Quarter Emergency and Non-Competitive Procurements Report

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