

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	June 11, 2018
SUBJECT/REPORT NO:	2018 First Quarter Emergency and Non-competitive Procurements Report (FCS18038) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Cheryl Velenosi (905) 546-2424 Ext. 3988
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 City of Hamilton (City) 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 first quarter 2018.

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 2018, there were 96 purchases totalling \$4,885,405 which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS18038.

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The breakdown is as follows:

- 8 purchases totalling \$804,061.08 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 87670 for \$360,441.44 was issued to Force 1 Security for mobilization of an interim security guard service for the provision of security guard services for City facilities managed by the Energy, Fleet and Facilities Management Division of Public Works (C11-08-15). Primary Response, who held the contract for this service, approached the City for compensation to account for the scheduled increases to minimum wages as a result of Ontario’s Bill 148. The City offered the option of allowing Primary Response to finish Term Three of their contract and not extend Term Four (Term Three contract end date was March 31st, 2018) and thereby avoid facing a ban. Primary Response declined the offer and ceased to provide security guard services as of December 31, 2017. As a result of Primary Response’s actions, Force 1 Security was hired to maintain security guard services without disruption and allow staff sufficient time to issue a new procurement process and award a new contract. The new contract is expected to be in place by third quarter 2018.
 - Purchase Order 88330 for \$221,048.20 was issued to Star Security Inc. for Cashiering and Security Services Contract - C3-10-16 to allow for the continuation of services to the Hamilton Convention Centre and York Boulevard Parkade. The vendor finished the contract on December 31, 2017 completing Term One. The Policy 10 was issued to further engage the vendor to allow staff sufficient time to complete the procurement process and award the new contract without disruption of services. The new contract is expected to be in place by third quarter 2018.
- 10 purchases totalling \$718,137.10 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:
 - Purchase Order 84035 for \$300,000.00 was issued to Barton Truck Centre Ltd. for the extension of Barton Truck Centre’s current contract C11-66-13. This extension will allow staff sufficient time to complete the procurement process and award the new contract without disruption of services. The new contract is expected to be in place by the second quarter 2018.

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- Purchase Order 84299 for \$200,000.00 was issued to Metro Freightliner Hamilton Inc. for the extension of Metro Freightline Hamilton's current contract C11-33-13. This extension is to allow staff sufficient time to complete the procurement process and award the new contract without disruption of services. The new contract is expected to be in place by the second quarter 2018.
- 78 purchases totalling \$3,363,206.57 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 87728 for \$249,000.00 was issued to Pure Technologies Ltd. for urgent condition assessment of the Woodward Kenilworth Transmission Main (WKTM). WKTM is one of the City's most critical pipelines and recently experienced a break in close proximity to the Kenilworth Reservoir. It was critical to know the condition of this pipe as the City will rely on it as the sole supply of the Hamilton mountain for three months beginning at the end of February 2018. This work was completed in the third week of January 2018. A condition assessment of a portion of this pipe was completed in September 2017 where some defects were found, however, due to the limitation of the inspection tool the full 3km was not inspected.
 - Purchase Order 86304 for \$247,360.00 was issued to GM Blueplan Engineering Ltd. for additional engineering services to complete the development of the Water and Wastewater and Stormwater Infrastructure Master Plan.
 - Purchase Order 87973 for \$150,000.00 was issued to Action Car & Truck Accessories Inc. for the upfitting services of new and existing fleet of light vehicles. The existing contract was not renewed and ended December 31, 2017. Action Car & Truck Accessories Inc. was engaged to allow staff sufficient time to complete the procurement process and award the new contract without disruption of services. The new contract is expected to be in place by the second quarter 2018.
 - Purchase Order 87578 for \$116,084.76 was issued to Gerrie Electric Wholesale Ltd. to single source three 600 Volt Solid State Starters (Motor Control Centre), manufactured by Allen Bradley, for interim capacity upgrades at the Binbrook Sewage Pumping Station. The current pumping station contains two Allen Bradley submersible wastewater pumps (P1 and P2) with space for a third pump (P3). The interim capacity upgrades include the provision of two new larger capacity pumps; one to replace P2 and the second installed in the space provided for P3, which requires two 600 Volt Solid State Starters. The manufacturer was selected based on the current use within the existing pumping station. The consistency of

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manufacturer will benefit operations and maintenance of this facility during the interim operation. Due to the criticality and time sensitive nature of commissioning the interim capacity upgrades at the pumping station, consistency of equipment is necessary to minimize risk during installation. The current Motor Control Centre design and configuration is suitable for Gerrie Electric (Allen Bradley) and will allow for an efficient installation.

- Purchase Order 88170 for \$106,260.00 was issued to McMaster University Department of Engineering to address challenges facing the public and private sectors with a specific focus of improving the efficiency of transportation systems. As a result of the media attention around the "Fix the HSR" campaign, McMaster and Logistics (MITL), an institute affiliated with McMaster University was created to work with business, government and other strategic partners. MITL approached the Hamilton Street & Railway (HSR) with an unsolicited product demonstration of a new research methodology that focuses on using perception and attitude measures to statistically analyze customer survey feedback. This new approach involves a ground breaking methodology not yet exposed to the transit industry that was developed by MITL. This work involves evaluating and testing the robustness of a transit system as it relates to weak points in the network. HSR believes the MITL team has the necessary academic and research resources to assist the HSR in its efforts to plan and shape a reconfigured transit network for Hamilton.

Appendices and Schedules Attached

Appendix "A" to Report FCS18038 - First Quarter Emergency and Non-Competitive Procurements Report

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