



**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
*Financial Services Division*

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	July 11, 2018
<b>SUBJECT/REPORT NO:</b>	Armoured Car Services – Authorization to Negotiate (FCS18069) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Rick Male (905) 546-2424 Ext. 4157
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager Finance and Corporate Services Department
<b>SIGNATURE:</b>	

**RECOMMENDATIONS**

- (a) That the General Manager of Finance and Corporate Services, or their designate, be authorized to negotiate a five year contract with Brink's Canada Limited to provide armoured car services to the City of Hamilton.
- (b) That the General Manager of Finance and Corporate Services be authorized to enter into and execute any required contract and any ancillary documents required to give effect thereto with Brink's Canada Limited, in a form satisfactory to the City Solicitor.

**EXECUTIVE SUMMARY**

Brink's Canada Limited (Brink's) is the current provider of armoured car services to the City of Hamilton (City). A five year contract was negotiated with Brink's in 2013.

The contract with Brink's expires in November 2018 and the options the City has are to issue a public tender for armoured car services or negotiate a new contract with Brinks.

***Alternatives for Consideration – Not Applicable***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The annual value of the contract is approximately \$327,000 and the 7400, plus deposits, handled by the armoured car services provider total approximately \$450 million per year.

Staffing: Not issuing a tender will save the procurement and user department staff time required to put together the tender and specifications and to review the submissions.

Legal: Not Applicable.

## **HISTORICAL BACKGROUND**

In 2008, Council directed staff to negotiate a contract with Brink's after significant problems (fraud) were experienced with the incumbent providing the City with armoured car services. Council further directed staff to amend the Procurement Policy of the City to require staff to seek Council direction on the type of procurement process to be followed for the acquisition of the Good and/or Service where there is an incumbent vendor on a City corporate contract which is of a highly sensitive nature, due to the risk associated with financial loss, confidentiality or the handling of sensitive information. This was to be done through a report to the applicable standing committee of Council. This requirement was incorporated into Procurement Policy #5 – Determining the Procurement Policy, Section 4.5(5).

The contract for armoured car services includes pick-up of deposits from City locations, armoured car transportation, coin counting and coin wrapping/boxing and delivery to the City's bank for deposit.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The requirement to seek Council direction is in accordance with City By-law 17-064, Procurement Policy #5 – Determining the Procurement Policy, Section 4.5(5).

## **RELEVANT CONSULTATION**

Procurement staff reviewed the market to ascertain which companies could provide the armoured car and coin counting/wrapping/boxing requirements. It was determined that there are four large companies: Brink's Canada Limited, GardaWorld, Group4Securicor and Inkas Security Services Inc., who can provide all of the services required. Brink's have been in operation since 1859, GardaWorld since 1995, Group4Securicor since 2004 and Inkas Security Services Inc., since 1996.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION**

There are limited companies (four) who can provide the armoured car services that the City requires. Historically, Brink's has provided these services to the City with the exception of the four-year period (mid 2004 – mid 2008) when the contract was held by Avero Security Inc. Operating departments are pleased with the services being provided by Brink's and Brink's has expressed a willingness to negotiate a new five year contract with the City. Negotiating a new agreement with Brink's will ensure the City's armoured car services remain under the existing processes and safeguards that have been put in place with Brink's. The City should be able to negotiate a contract that recognizes the savings Brink's will experience by not having to respond to a tender. The City will also realize the savings of staff time that will not be spent developing the tender and specifications, reviewing the submissions and then working with the successful bidder to put the services in place.

## **ALTERNATIVES FOR CONSIDERATION**

Not Applicable.

## **ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

### **Community Engagement & Participation**

*Hamilton has an open, transparent and accessible approach to City government that engages with and empowers all citizens to be involved in their community.*

### **Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

## **APPENDICES AND SCHEDULES ATTACHED**

Not Applicable