



Hamilton

INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	December 17, 2018
SUBJECT/REPORT NO:	2018 Third Quarter Emergency and Non-competitive Procurements Report (FCS18038(b)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Kaitlyn Skuse (905) 546-2424 Ext. 4354 Cheryl Velenosi (905) 546-2424 Ext. 3988
SUBMITTED BY:	Rick Male Director, Financial Services, Taxation 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 third 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 third quarter of 2018, there were 96 purchases totalling \$5,675,158.57 and 1 totalling \$108,000.00 in revenue, which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS18038(b).

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.

The breakdown is as follows:

- 8 purchases totalling \$1,624,448.12 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(s) in this category:
 - Purchase Order 87670 for \$850,000.00 was issued to Force 1 Security for continued mobilization and provision of additional interim security guard services for the City facilities managed by the Energy, Fleet and Facilities Management Division of Public Works (C11-08-15). 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.
 - Purchase Order 89611 for \$300,000.00 was issued to Kropf Industrial Inc. for emergency repairs to the Hamilton West Harbour marina docks. These emergency repairs were due to a three-day storm in April 2018 which caused a breakwater failure, leaving two of four sections of the breakwater cracked, taking on water and eventually sinking. The marina docks, constructed by Kropf Industrial Inc., no longer had any protection from the wave action and required immediate repair. All costs associated with the marina repairs will be recovered through a warranty on the breakwater.
 - 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.
 - Purchase Order 89374 for \$119,507.76 was issued to Heritage Restoration Inc. for emergency repairs to the Tim Hortons Field due to extensive water infiltration and leaks into 15 suites and club areas. These repairs were required due to a three-day storm in April 2018.
- 6 purchases totalling \$287,000.00 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 68116 for \$225,000 was issued to Bridgestone Canada Inc. for the leasing of tires for Hamilton’s Transit Section. This extension is to provide

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.

sufficient time to complete the procurement process and award the new contract without the disruption of services. The new contract is expected to be in place for the fourth quarter of 2018.

- 82 purchases totalling \$3,763,710.45 and 1 totalling \$108,000.00 in revenue 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:
 - \$317,000.00 was issued to Mick Walker Consulting for the following work:
 - Purchase Order 89450 for \$119,000.00 was issued to Mick Walker Consulting (MWC) to provide a continuation of facilitation of the City’s Performance Accountability and Development (PAD) Leadership Training. The PAD Leadership training started in the City of Hamilton in 2014 and has been foundational in setting expectation to effectively manage employee performance and development. The City intends to continue offering PAD training modules as part of its Corporate Learning and Development framework. This PO is expected to cover two modules at full day sessions for the remainder of 2018 through 2021. The cost to attend this training is charged to the department operating budget of each participant.
 - Purchase Order 89451 was issued to Mick Walker Consulting for \$198,000.00 to provide a continuation of the facilitation of the City’s emerging leader program called the Cutting Edge of Leadership. The Cutting Edge of Leadership Program (CELP) is a made in Hamilton solution that sets expectations of the knowledge, skills and abilities that leaders at the City require to build confidence and drive performance change in the workplace. In 2017 the CELP was adopted as the City’s corporate standard and incorporated into the City’s Leadership Pathway. In 2012, Mick Walker Consulting was hired to facilitate this program and has continued to facilitate 3 to 4 programs each year between 2012 and 2018. To date, approximately 550 leaders (emerging and existing) at the City have participated in the program. Mick Walker Consulting is very familiar with the CELP content and with the City’s strategic and cultural direction and priorities. The City intends to continue offering the CELP to emerging leaders as part of its Corporate Learning and Development framework. This PO is expected to cover three sessions annually for the remainder of 2018 through 2021. The cost to attend this training is charged to the department operating budget of each participant
 - Purchase Order 89283 for \$249,000.00 was issued to Dominion Voting Systems Corp. for the supply and delivery of Hardware Rental, Software License and Service Agreement. The Municipal Elections Act states that Policy and Procedures, with respect to the elections process, must be completed by

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.

December 31, 2017 for the 2018 Municipal Election. Due to time constraints, Dominion Voting System Corp. was chosen since they met the requirements of the Municipal Elections Act. They were awarded a contract through a Request for Proposal to do the same work for the 2014 Municipal Election.

- Purchase Order 89678 for \$244,721.64 was issued to Wood Canada Ltd. for an assessment of the Chedoke Creek to determine environmental impacts after a wastewater spill from the Main/King combined sewer overflow (CSO) tank, discovered in July 2018. The work involved environmental analysis and environmental remediation planning to comply with orders issued on August 2, 2018 from the Ministry of Environment Conservation and Parks. Wood Canada Ltd. was chosen because they have the expertise necessary to meet the terms of the order from the Ministry. This work was time sensitive and as such, it was necessary to leverage the experience and expertise of a company that already had knowledge of the City system and could begin work right away.
- Purchase Order 86484 for \$93,140.00 was issued to R. V. Anderson Associates Ltd. for additional engineering services required to finish the construction phase of the Binbrook Interim Capacity Upgrades. The additional services are as a result of a project delay of approximately one month. In order to maintain project continuity, the critical path schedule, and to minimize extra costs, it was in the best interest of the City to have R. V. Anderson Associates Ltd. continue to provide consulting services for the remainder of the project.
- \$137,500.00 was issued to Medical Mart Supplies Ltd. for the following work:
 - Purchase Order 89649 for \$87,500.00 was issued for the continued provision of needles and syringes for the needle exchange program from July 1 to December 31, 2018. Public Health Services are working towards the consolidation of medical supplies by way of issuing a competitive procurement process. Medical Mart Supplies Ltd. will continue to provide these goods without disruption and allow staff sufficient time to issue a new procurement process and award a new contract.
 - Purchase Order 89722 for \$50,000.00 was issued for supplies to run vaccination clinics from September 11 to December 31, 2018. Public Health Services are working towards the consolidation of medical supplies by way of issuing a competitive procurement process. Medical Mart Supplies Ltd. will continue to provide these goods without disruption and allow staff sufficient time to issue a new procurement process and award a new contract.
- Purchase Order 89367 for \$135,635.00 was issued to Early Literacy Stations Canada for After School Edge computers and Bilingual French Early Literacy Stations. These products are unique and provide a turn-key solution to safe

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.

educational computing for older children. These products are designed specifically for and used by many public libraries in North America. Early Literacy Stations Canada is the only distributor in Canada for this equipment.

- Purchase Order 89599 for \$130,000.00 was issued to Hamilton Waterfront Trust for the reimbursement of services and operations to the Discovery Centre at 47 Discovery Drive. Effective January 2018 the City of Hamilton assumed the lease for the Discovery Center; in order to comply with Council direction, the Hamilton Waterfront Trust has been retained to provide a smooth transition which will allow time for the Facilities Division to transition the maintenance services to other suppliers.

- Purchase Order 89675 for \$114,430.00 was issued to Hatch Corp. for engineering services to comply with orders issued by the Ministry of Environment Conservation and Parks for the assessment of the City's combined sewer overflow (CSO) storage infrastructure. This purchase order was awarded to Hatch Corp. to save time and leverage their experience and expertise knowledge of the City system and their ability to complete the work to address the constraints identified.

- \$111,086.66 was issued to Alphinat Inc. for the following work:
 - Purchase Order 89523 for \$52,266.66 was issued for the Smart Guide Enterprise licence and annual maintenance. This license and maintenance was issued to Alphinat Inc. as they own the Smart Guide software that was used to develop portal solutions.

 - Purchase Orders 89524 for \$58,820.00 was issued for professional services to redevelop and fix the portal developed by a former vendor who was unable to deliver what was promised. The portal requires a thorough review and someone capable enough to fix all the current issues as well as in the end have a product that can be easily used to further develop online workflows such as Planning and Tourism applications. Alphinat Inc. was chosen since it owns the Smart Guide software that was used to develop the portal. Negotiations are in progress to offset some of the costs of redeveloping the portal with the former vendor.

- Purchase Order 89257 for \$109,900.00 was issued to Watson & Associates Economists Ltd. for consulting to conduct a development charge exemptions review. This review effectively assemble, analyse and synthesize a vast array of research and statistics in a manner that clearly identifies the appropriate opportunities where development charge exemptions should be applicable to generate the highest net benefit to the City of Hamilton.

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.

Appendices and Schedules Attached

Appendix "A" to Report FCS18038(b) - Third Quarter Emergency and Non-Competitive Procurements Report.

CV/dw