



# INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	July 11, 2019
<b>SUBJECT/REPORT NO:</b>	2019 First Quarter Emergency and Non-competitive Procurements Report (FCS19042) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Patricia Vasquez (905) 546-2424 Ext. 5972
<b>SUBMITTED BY:</b>	Rick Male Director, Financial Services and Taxation & Corporate Controller Corporate Services Department
<b>SIGNATURE:</b>	

## 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 first quarter of 2019.

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 2019, there were 106 purchases totalling \$7,402,845.10 and 2 totalling \$284,267.75 in revenue, which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS19042.

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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 are as follows:

- 7 purchases totalling \$928,410.16 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 amounts in this category:
  - Purchase Order 87670 for \$390,000.00 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 88330 for \$280,000.00 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 90826 for \$215,605.00 was issued to ENV Treatment Systems Inc. for the removal and replacement of the existing Chlorine Scrubber Media which was tested and was identified the required immediate need of replacement as the remaining life had fallen below the manufacturer’s recommendation potentially causing health and safety concerns.
- 18 purchases totalling \$2,621,803.44 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 amounts in this category:
  - Purchase Order 87757 for \$1,430,000.00 was issued to Neptune Technology Group (Canada) Ltd. for the extension of services for the supply and installation of new water meters. This extension is required to provide sufficient time to complete the procurement process and award a new contract. Currently there are two separate contracts related to water meter services (one for the supply and install of water meters, the other for the maintenance, testing, repair and replacement of water meters) with different expiry dates.

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- Purchase Order 78030, issued to Long View Systems Inc., was increased by \$500,000.00 for the provision of Cisco Hardware required for the operation of the corporate phone system. Staff's original intent was to piggyback on a Request for Proposal that McMaster issued and awarded, however, due to the rules imposed by the Comprehensive Economic and Trade Agreement (CETA), it did not allow for the City to partner with McMaster. This extension is required to provide sufficient time to complete the procurement process and award a new contract.
- Purchase Order 68116, issued to Bridgestone Canada Inc., was increased by \$225,000.00 for the supply and delivery of Leased Tires. This extension is required to allow for ordering of tires until a new contract is awarded. Staff are required to submit a report to Council on which procurement option to proceed with; either to lease or buy tires. Council's approval of the report is required prior to the Request for Tender being issued.
- Purchase Order 91000 for \$155,000.00 was issued to Plan B Organic Farms for farming services for the McQuesten Urban Farm. The contract has been completed. As a result, this extension is to provide one additional year of farming services to allow for consistency in staffing and site operations before the farm is transitioned to a different stand-alone operation outside of the City.
- 81 purchases totalling \$3,677,631.50 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 amounts in this category:
  - Purchase Order 90058 for \$242,991.00 was issued to Compass Minerals Canada Corp. for the supply of bulk sodium chloride – road salt (without delivery). The City has a contract with the vendor for the supply and delivery of salt, however, due to delivery issues, the City ordered salt and had their own contracted equipment pick up the salt directly from the vendor's facility in order to fulfill the backlogged orders.
  - Purchase Order 86638, issued to McCallum Sather Architects Inc., was increased by \$187,000.00 to provide the additional services required to accommodate the expanded deliverables for the Valley Park Library Expansion Project.
  - Purchase Order 90878 for \$140,032.00 was issued to Fisher Heating Inc. to perform necessary repairs required to bring the emergency diesel generators at Fire Stations 10, 12, 25, 27 & 28 into compliance with TSSA regulations and to be allowed refuelling.

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- \$130,000.00 was issued to Urban Strategies Inc. for the following work:
  - Purchase Order 91091 for \$70,000.00 was issued to assist Planning and Legal staff with planning expertise testimony at the Local Planning Appeal Tribunal hearing for 163 Jackson Street West.
  - Purchase Order 91090 for \$60,000.00 was issued to assist Planning and Legal staff with urban design expertise testimony at the Local Planning Appeal Tribunal Hearing for 163 Jackson Street West.
- Purchase Order 90836 for \$120,000.00 was issued to Premier Truck Group, the new local authorized dealer of Original Equipment Manufacturer for Ford/Sterling heavy truck parts, until a Council report is submitted to add Premier Truck to the standardization list.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix “A” to Report FCS19042 – First Quarter Emergency and Non-Competitive Procurements Report

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