



INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	October 08, 2020
SUBJECT/REPORT NO:	2020 Second Quarter Emergency and Non-competitive Procurements Report (FCS20034(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
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SUBMITTED BY:	Rick Male Director, Financial Services and Taxation & 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 second quarter of 2020.

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.

Committee and Council are advised that procurements made under a Policy 10 due to COVID-19 have not been reported in this quarterly report. All COVID-19 related procurements will be reported separately by staff.

SUBJECT: 2020 Second Quarter Emergency and Non-competitive Procurements Report (FCS20034(a)) (City Wide) - Page 2 of 4

During the second quarter of 2020, there were 89 purchases totalling \$6,649,512.72, which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS20034(a).

The breakdown is as follows:

- 10 purchases totalling \$1,340,389.83 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 94609 for \$486,499.17 was issued to Superior Boiler Works and Welding Ltd. to perform emergency works, replacement of equipment and infrastructure in the Woodward Wastewater Treatment Plant Primary Clarifier Galleries which was damaged due to flooding. Hamilton Water staff are working with the City’s Risk Management Section to recover costs through insurance.
 - Purchase Order 87670 for \$230,000.00 was issued to Force 1 Security, for the provision of security guard services for various facilities managed by EFFM, to cover additional invoices received for work completed in 2019.
 - Purchase Order 94681 for \$172,520.94 was issued to 560789 Ontario Ltd. o/a R&M Construction to perform emergency works to the inlet of the Stormwater Management Facility #0123 at 768 Mountain Brow Boulevard. The inlet and outlet to the stormwater management facility were breached by the adjacent watercourse and without the inlet and outlet, the stormwater management facility is not operational.
 - Purchase Order 94304 for \$148,248.00 was issued to Hamilton Physiotherapy Clinic to perform emergency physiotherapy and rehabilitation services to Macassa and Wentworth Long Term Care homes. Current staff could not operationally complete the work as a result of the pandemic.
- 15 purchases totalling \$2,875,003.12 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 92203 was increased by \$1,830,003.12 to CDW Canada Inc. for Microsoft Desktop and Data Centre Licenses. This extension is required to provide sufficient time to complete the procurement process and award a new contract.

**SUBJECT: 2020 Second Quarter Emergency and Non-competitive Procurements
Report (FCS20034(a)) (City Wide) - Page 3 of 4**

- Purchase Order 94489 for \$200,000.00 was issued to Star Security Inc. for the provision of security and cashiering at Tim Hortons field and other facilities. An additional extension to the current contract will provide the time required by the EFFM Division within Public Works to research new specifications in order to improve the services associated with events securities and evaluate impacts to services due to the pandemic.
- Purchase Order 94714 was increased by \$130,000.00 to Plumbway Inc. for plumbing services at various facilities. Procurement and Energy, Fleet and Facilities (“EFFM”) staff were able to issue and close a new RFP for the purposes of awarding a new contract however the evaluations and ultimate award could not be completed within the timeline set due to Covid 19 restrictions. This additional extension to the original contract was required to provide sufficient time to complete the procurement process and award the new contract.
- Purchase Order 84147 was increased by \$100,000.00 to Stinson Equipment Limited for the supply and delivery of Traffic Signs Aluminium Blanks. As a result of rapidly changing COVID-19 working situations, this extension is required to provide sufficient time to complete the procurement process and award a new contract.
- Purchase Order 94346 was increased by \$100,000.00 to Ontario Medical Supply for Pharmaceuticals for the Paramedic Services Operations and Patient Care. A joint Request for Tender is being compiled to incorporate the requirements of five other municipalities and there has been some delays in obtaining the required information from the participating municipalities. The COVID-19 pandemic has also stretched staff resources. This extension is required to provide sufficient time to complete the procurement process and award a new contract.
- Purchase Order 94423 was increased by \$100,000.00 to Triple Crown Enterprises Ltd. for carpentry services required at various EFFM managed facilities. A new Request for Proposals has been drafted however, has been delayed due to reconsideration of the City’s requirements in light of COVID-19. This extension is required to provide sufficient time to complete the procurement process and award a new contract.
- Purchase Order 94435 was increased by \$100,000.00 to STF Construction Ltd. for carpentry services required at various EFFM managed facilities. A new Request for Proposals has been drafted however, has been delayed due to reconsideration of the City’s requirements in light of COVID-19. This extension is required to provide sufficient time to complete the procurement process and award a new contract.

SUBJECT: 2020 Second Quarter Emergency and Non-competitive Procurements Report (FCS20034(a)) (City Wide) - Page 4 of 4

- 64 purchases totalling \$2,434,119.77 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 94443 for \$200,000.00 was issued to Strategy Corp Inc. to provide Consulting Services for the Communications team related to management strategies and strategic communication services as a result of COVID-19.
 - Purchase Order 94636 for \$150,000.00 was issued to Ottawa Key Shop, (licensed dealer for the Kaba Peaks system - interior master key system in various EFFM managed facilities) in order to give EFFM staff time to continue their review and subsequent formulation of action plans to move forward with a competitive process for the services.
 - Purchase Order 94200 for \$108,438.00 was issued to Sonic Unyon for future Canada Day and other City of Hamilton events as it relates to event operation including entertainment, production, marketing, permits, staffing, etc. Sonic Unyon was chosen because of an existing partnership with the City of Hamilton’s Revenue Generation. The agreement would commence immediately after signing and will be in effect until December 2020.
 - Purchase Order 94214 for \$100,000.00 was issued to HCE Energy Inc. to operate the Biogas Purification Unit (BPU) located at the Hamilton Water Waste Treatment Facility on 700 Woodward Ave. The BPU takes in methane produced by the water treatment process, treats and conditions it such that it is acceptable to be injected into the Union Gas grid system and classified as Renewable Natural Gas (RNG). HCE Energy Inc. currently operates the cogeneration system at Woodward and this agreement would have HCE Energy Inc. operate the BPU in a similar manner. This service will cover the normal daily operation of the BPU and address maintenance issues as they arise plus respond to operation and maintenance calls. Daily operation of the BPU is achieved through both on site and remote monitoring.

APPENDICES AND SCHEDULES ATTACHED

Appendix “A” to Report FCS20034(a) – Second Quarter Emergency and Non-Competitive Procurements Report

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