




## INFORMATION REPORT

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	October 5, 2023
<b>SUBJECT/REPORT NO:</b>	2023 Second Quarter Emergency and Non-competitive Procurements Report (FCS23019(a)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Sherri Ward (905) 546-2424 Ext. 3988
<b>SUBMITTED BY:</b>	Shelley Hesmer Acting Director, Financial Services and Taxation 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 second quarter of 2023.

The Policy for Non-competitive Procurements is used in 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 second quarter of 2023, there were 94 purchases totalling \$7,796,889.22, which were processed through the use of an approved Policy 10 or 11. These are summarized in Appendix “A” to Report FCS23019(a).

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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:

- 13 purchases totalling \$791,058.38 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 102627 for \$180,000.00 was issued to 2449983 Ontario Ltd. o/a Kavin Group for temporary staffing services to maintain weigh scale house operations across the City of Hamilton allowing sites to remain open for municipal waste collection services, waste haulage and public waste drop-off. Kavin Group was secured to replace Neptune Security Services Inc. Neptune Security Services Inc. declared bankruptcy resulting in a default of contract forcing a work stoppage under contract C11-50-18. This Policy 10 Emergency procurement allowed for continuation of these services.
  - Purchase Order 101651 for \$159,951.00 was issued to Manurep Sales Inc. to supply and install a replacement oil/water separator at the Mountain Transit Centre due to a corroded baffle inside the chamber which separates the oil from the water allowing clean water to drain into the City water main trunk and avoid the risk of a potential environmental spill.
  - Purchase Order 102516 for \$146,257.22 was issued to Compass Mechanical Group Ltd. to supply and install a replacement boiler at the Stonechurch and Turnbridge HD06B pumping station. The existing boiler, commissioned in 1969 and past its service life, was malfunctioning requiring engagement of an HVAC maintenance contractor (Compass Mechanical Group Ltd.) to reset the boiler every 6 hours to maintain temperature. During this maintenance, high carbon monoxide levels were detected, and it was determined that the boiler was the source. Given the health and safety concerns, lack of availability of parts, and age of the existing boiler, it was recommended to complete a Policy 10 Emergency procurement for a replacement boiler.
  - Purchase Order 102515 for \$102,268.00 was issued to Cima Canada Inc. to provide consulting services for the emergency repairs to the roof of Primary Digester 3 at the Woodward Wastewater Treatment Plant resulting from digester failure causing an environmental spill of digested sludge. These services include a structural investigation for assessment of damages, presentation of findings, recommendations for repairs, design, and consulting and engineering services during construction. This was communicated to Council in a Public Works Committee Report (22-008), dated May 16, 2022.

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- 22 purchases totalling \$4,484,207.23 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 99011 for \$3,000,000.00 was issued to PVS Contractors Inc. to extend contract number C11-30-18 for the supply of utility locating services for buried water and sewer underground infrastructure. A Policy 11 was previously approved and completed for \$249,999.00 to extend the contract due to legislative changes that came into effect on April 1, 2023 to the Ontario Underground Infrastructure Notification Systems Act which required a Request for Tenders be issued to include the new legislation. A new Request for Tenders (C11-11-23) was issued and closed on February 23, 2023 however all three bids received were either significantly low or excessively high in comparison to the City’s estimated cost for the work. The Request for Tenders was ultimately cancelled. This extension was required to continue the services under contract C11-30-18 allowing the client department time to conduct an industry review of contract specifications for locates services and complete a contract cost comparison, in order to complete a competitive procurement process and award a new contract with scope that satisfies the legislative changes and is cost effective to the City.
  - Purchase Order 102112 for \$400,000.00 was issued to Schindler Elevator Corp. to extend contract number C12-05-18 for the supply of maintenance services for elevating devices. Due to a staff vacancy within the division which is responsible for the development of contract specifications and contract management, this extension was required to continue the services under the contract until the position could be filled and provide enough time to complete the procurement process and award a new contract.

Purchase Order 99585 for \$200,000.00 was issued to 464265 Ontario Ltd. o/a Stradwick’s to extend contract number C11-33-18 for floor covering installation services at various City of Hamilton facilities. Due to a staff vacancy within the division which is responsible for the development of contract specifications and contract management, this extension was required to continue the services under the contract until the position could be filled and provide enough time to complete the procurement process and award a new contract.

- 59 purchases totalling \$2,521,623.61 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:

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- Purchase Order 102370 for \$235,450.00 was issued to Stanmore Equipment Ltd. (Stanmore) for the monthly supply and delivery of golf cart rentals at Chedoke and Kings Forest Civic Golf Courses under contract C5-02-21. The original supplier, Skyway Lawn Equipment Limited (Skyway), sold their company to Stanmore during the final term of the contract. The terms and conditions of City purchase orders state that a vendor cannot assign or transfer their contract to another vendor without written consent of the City, duly approved and executed. Legal Services determined the completion of a corporate assignment agreement was required to transfer contract C5-02-21 from Skyway to Stanmore. This single source was required to allow for enough time to complete the corporate assignment process between the vendors and City of Hamilton without a disruption to services.
- Purchase Order 91898 for \$220,000.00 was issued to Auto Truck Group Canada Inc. (Auto Truck) for the supply and delivery of upfitting services for light duty vehicles as and when required. Term 4 of contract C11-14-19 expired on April 30, 2023. Auto Truck requested a labour rate increase outside of the contract terms and conditions for Term 5. The City decided to undertake a competitive process and not renew the contract for the final term. RFP C11-17-23 was issued May 31, 2023 and is expected to be awarded in quarter 4 of 2023. This single source was required to bridge services and allow the client department sufficient time to complete the procurement process and award the new contract.
- Purchase Order 102214 for \$163,233.32 was issued to Hawkeye Bird Control Inc. for waterfowl management control services for 2023 to control population growth and grazing activities of Canada Geese populations. A Request for Proposals has been issued to retain services for 2024. This single source was required to allow the client department sufficient time to complete the procurement process and award the contract.
- Purchase Order 101158 for \$150,000.00 was issued to Meehan's Industrial Maintenance Ltd. for additional millwright services required for water and wastewater facilities and outstations. Staffing shortages have reduced the ability to perform ongoing maintenance and repairs at the Water and Wastewater Treatment Plant and out-stations. Additional millwright services were required to ensure that plant and out-station operations and maintenance continued until the hiring process returns staffing to sufficient levels. This single source was required to bridge services and allow the client department sufficient time to develop and issue a Request for Tenders to have these services in place for 2024.

**APPENDICES AND SCHEDULES ATTACHED**

Appendix "A" to Report FCS23019(a) – Second Quarter Emergency and Non-Competitive Procurements Report.

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