



**CITY OF HAMILTON**  
**PUBLIC WORKS DEPARTMENT**  
**Waste Management Division**

<b>TO:</b>	Chair and Members Public Works Committee
<b>COMMITTEE DATE:</b>	January 15, 2024
<b>SUBJECT/REPORT NO:</b>	Interim Service for Weigh Scale Operation at the City's Waste Management Facilities (PW24004) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Raffaella Morello (905) 546-2424 Ext. 3926
<b>SUBMITTED BY:</b>	Angela Storey Director, Waste Management Public Works Department
<b>SIGNATURE:</b>	

## RECOMMENDATION

That Council approve the single source procurement, pursuant to Procurement Policy #11 – Non-competitive Procurements, for the interim service for weigh scale operations at the City's Waste Management facilities until the award of Tender C11-58-23 for Operation of Weigh Scales at the City's Transfer Stations, Community Recycling Centres and Resource Recovery Centre and that the General Manager, Public Works Department be authorized to negotiate, enter into and execute the extension and any ancillary documents required to give effect thereto with 2648442 Ontario Inc., in a form satisfactory to the City Solicitor.

## EXECUTIVE SUMMARY

In May 2023, the City required an interim service provider for the operation of the weigh scales at the City's Transfer Stations, Community Recycling Centres, and Resource Recovery Centre due to Neptune Security Services Inc.'s insolvency which resulted in a default of Contract C11-50-18. Under the City's Procurement Policy 10 - Emergency Procurement, 2449983 Ontario Inc. (doing business as Kavin Group) was hired to ensure the continuity of weigh scale operations while Staff prepared a new request for tenders for this service. In September 2023, 2449983 Ontario Inc. underwent a change in ownership and is currently operating as 2648442 Ontario Inc. (doing business as Kavin Group).

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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 purpose of Report PW24004 is to seek approval for continuing the existing interim service with 2648442 Ontario Inc. (doing business as Kavin Group) under Procurement Policy 11 - Non-competitive Procurement of Procurement By-law 20-205, as amended. The City's Procurement Section has advised the Waste Management Division that the Procurement Policy 10 – Emergency Procurement should end as of the date of the ownership change, and any associated costs for the services provided by the new company are to be approved utilizing a Procurement Policy 11 - Non-competitive Procurement for the remainder of the interim service and until a new contract is awarded. Since the current costs to support the service have reached \$250,000, Council approval is required for this single source procurement. The request for tenders is now closed and the new contract is expected to be awarded in early 2024.

**Alternatives for Consideration – See Page 4**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: The City's Policy 11 - Non-competitive Procurement of Procurement By-law 20-205 as amended, requires that Council approval be obtained for any Single Source of \$250,000 or greater. Due to the cost associated with the length of time the vendor has been operating under Procurement Policy 10, in addition to the ownership change of the vendor, the City was required to retain the vendor through Procurement Policy 11 - Non-competitive Procurement until Tender C11-58-23 for weigh scale house operations is awarded in early 2024. The total cost for the interim service for the Policy 10 – Emergency Procurement and Policy 11 – Non-competitive Procurement for weigh scale operations is approximately \$515,000.

Staffing: NA

Legal: NA

**HISTORICAL BACKGROUND**

In December 2018, the City of Hamilton awarded Contract C11-50-18 to Neptune Security Services Inc. for the operation of the weigh scales at the City's Transfer Stations, Community Recycling Centres, and Resource Recovery Centre. The contract ended in May 2023 as the result of the vendor's failure to meet the contract requirements due to the vendor's insolvency and not being able to provide staffing services. Through the City's Procurement Policy 10 – Emergency Procurement of Procurement By-law 20-205 as amended, the City retained 2449983 Ontario Inc. (doing business as Kavin Group) to provide temporary staffing services to operate the weigh scale houses which is a fundamental requirement to process vehicle transactions at the waste management facilities. Through Communications Update WM2302, the Waste

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Management Division Staff informed Council of the actions taken to receive services through 2449983 Ontario Inc. (doing business as Kavin Group) and the associated costs with the current Procurement Policy 10 – Emergency Procurement of Procurement By-law 20-205, as amended. As a result of the vendor ownership change, the time required to complete the request for tender for a new contract and with the costs associated with the interim service likely to exceed \$250,000, a Policy 11 – Non-competitive Procurement of Procurement By-law 20-205, as amended is now required.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The recommendations in this Report are in accordance with Policy 11 - Non-competitive Procurement in Procurement By-law 20-205, as amended.

**RELEVANT CONSULTATION**

The recommendations in Report PW24004 were prepared in consultation with staff from:

- Corporate Services Department – Financial Services and Taxation Division (Procurement Section)
- Corporate Services Department – Financial Planning and Administration Division (Finance and Administration Section)

**ANALYSIS AND RATIONALE FOR RECOMMENDATION**

The purpose of the recommendation in Report PW24004 is to ensure the weigh scale operations at the City's waste management facilities continue in a fiscally responsible manner and that the interim service level adheres to the City's Procurement By-law 20-205, as amended.

Weigh scale house operations is an essential service to provide data entry used for billing for the waste facility operations contracts and receiving payment for waste delivered from residential and commercial customers at the City's Transfer Stations and Community Recycling Centres. Accurate record keeping for waste received at the City's waste facilities is essential to remain in compliance with the requirements in the Environmental Compliance Approvals for these sites.

As previously mentioned, Staff have utilized both Procurement Policy 10 - Emergency Procurement and Policy 11 - Non-competitive Procurement of Procurement By-law 20-205, as amended to retain both 2449983 Ontario Inc. and 2648442 Ontario Inc. to provide service continuity until the new contract for weigh scale operations is awarded, which is anticipated in early 2024.

**ALTERNATIVES FOR CONSIDERATION**

Council could not support the continuation of the current Procurement Policy 11 – Non-competitive Procurement and require Staff to retain this service through an alternate vendor. The time required to obtain an alternate vendor could result in a service disruption at the waste sites.

Financial: Obtaining another vendor to provide the weigh scale operations could pose a risk of increased costs to provide the service on a short-term basis.

Staffing: NA

Legal: NA

**APPENDICES AND SCHEDULES ATTACHED**

NA