




**CITY OF HAMILTON**  
**CORPORATE SERVICES DEPARTMENT**  
**Procurement Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	July 11, 2024
<b>SUBJECT/REPORT NO:</b>	Extension of Contract C12-13-21 Professional and Consultant Services Roster (FCS24038) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Tina Iacoe (905) 546-2424 Ext. 2797
<b>SUBMITTED BY:</b>	Mike Zegarac General Manager, Finance and Corporate Services Corporate Services Department
<b>SIGNATURE:</b>	

### RECOMMENDATION(S)

- (a) That Council approve a six-month extension of Contract C12-13-21, Professional and Consultant Services Roster, ending June 30, 2025, with the option to further extend an additional six months, ending December 31, 2025 at the discretion of the City Manager, the General Manager, Public Works Department and the General Manager, Planning and Economic Development Department;
- (b) That the Director of Procurement be authorized to negotiate a 2% increase in hourly rates and enter into and execute any amending agreement or documents required to give effect thereto with Rostered Candidates, in a form satisfactory to the City Solicitor; and
- (c) That any cost increase associated with amendments to the existing agreements be included in the 2025 budget..

### EXECUTIVE SUMMARY

Every three years, the City of Hamilton (City) issues and awards a Professional and Consultant Services Roster (Roster) through a formal Request for Rostered Candidates procurement process. The first Roster was awarded in 2001 and since then, the City has consistently utilized a Roster for consultancy work. The current Roster is used and administered by staff within the Public Works Department, Planning and Economic

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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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Department and the City Manager's Office and continues to be seen as a valuable tool for undertaking consultancy work in both an efficient and effective manner for many City projects.

The current Roster expires on December 31, 2024. Since November of 2023, Roster Captains and Procurement staff have been working on a new Request for Roster Candidates (RFRC) document with the expectation that the document is to be issued in July 2024, to establish the new roster cycle for January 1, 2025.

Unfortunately, due to the cyber incident, staff was unable to finalize the Request for Roster Candidates (RFRC) procurement document in order to meet the identified schedule for issuance and award of the Contract. The City continues to make steady progress in recovering from the cyber incident. As a result, staff is able to resume working towards finalizing the necessary documents. Additionally, with competing priorities and backlog of work, it will be challenging for staff to complete the preparation of the Request for Roster Candidates (RFRC) documents this year without setting aside other City work or awarding the Roster late, well into 2025.

The purpose of Report FCS24038 is to request Council approval to extend Contract C12-13-21 Professional and Consultant Services Roster (Contract) for six months, with the option to extend another six months until December 31, 2025. Staff is also recommending that the Director of Procurement be authorized to negotiate a 2% increase with Roster Candidates and execute any amending agreement or documents to give effect thereto, satisfactory to the City Solicitor.

The proposed extension will allow staff the additional time to balance workloads and ensure a quality procurement document for bidding while maintaining continuity of consultancy required services by Roster Candidates.

**Alternatives for Consideration – See Page 8**

**FINANCIAL – STAFFING – LEGAL IMPLICATIONS**

Financial: It is expected that additional costs incurred as a result of the 2% increase in Roster hourly rates will be reflected in the 2025 capital budget process.

Using the total costs reported for Roster assignments for 2022 (as reported in Report PW23045 / PED23130 / FCS23079), staff estimates the increased costs attributable to the 2% increase at \$380,000. This estimate will be contingent on the number of Roster assignments issued and completed in 2025.

Staffing: N/A

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Legal: Legal Services staff may be requested to assist in preparing any formal amendments or documentation to finalize the extension and proposed 2% increase in rates.

## **HISTORICAL BACKGROUND**

Every three years, the City of Hamilton issues and awards a Professional and Consultant Services Roster (Roster) through a formal Request for Roster Candidates (RFRC) process in accordance with the City of Hamilton's By-Law 20-205, as amended, specifically Procurement Policy #5.4 Request for Proposals and #9 Consulting and Professional Services. The Roster is utilized by multiple divisions within the City's Public Works Department, Planning and Economic Development Department and City Manager's Office, as well as, other internal teams including the Hamilton Police Service and CityHousing Hamilton.

The Roster is seen as a valuable tool for undertaking consultancy work in both an efficient and effective manner. Without the Roster, staff would be required to issue multiple procurement processes requiring a greater amount of staffing resources. It is because of the great value to the City that both the Procurement Division and the Roster Committee commit a great deal of time and effort to uphold not only the integrity of the Request for Roster Candidates (RFRC) process but ensure that the administration of the Roster is carried out in compliance with the Procurement Policy.

As per Report PW23045 / PED23130 / FCS23079, the current Roster includes 42 different categories of consultancy disciplines and engages 92 different Roster Candidates firms (successful professional consultants) who perform services in accordance with the Request for Roster Candidates (RFRC). Report PW23045 / PED23130 / FCS23079 also identified that the total annual cost of Roster assignments in 2020, 2021 and 2022 was approximately \$18 M, \$23 M and \$19M, respectively.

### **Roster Procurement Process Timeline**

The procurement process for the Request for Roster Candidates (RFRC) takes well over a year to prepare, issue and award. The development and refinement of the Request for Roster Candidates (RFRC) documents takes considerable staff time and effort before they can be released publicly. In principle, issuing a Request for Roster Candidates (RFRC) with 42 different categories requires almost the same amount of time and effort as issuing 42 separate requests for proposal documents.

Staff begin working on the Request for Roster Candidates (RFRC) the year prior to issuance. For the new Roster (set to begin January 1, 2025), in order to improve the process for staff to give sufficient time to review the proposals, the goal was to issue the Request for Roster Candidates (RFRC) in July 2024, with the intent of finalizing the evaluations and perform the required due diligence for award well before December to allow for a smooth transition of the Contract. This accelerated schedule required all Roster Captains and Procurement staff to work together to achieve this goal.

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The proposed timeline to complete the Request for Roster Candidates (RFRC) procurement process for 2024 was originally as follows:

Request for Roster Candidates (RFRC) Process Description	Timeline to Complete
All terms of reference, evaluation criteria, and costing mechanisms to be finalized and submitted to Procurement	Work begins in November and continues to April 30
Senior Procurement Specialist compiles all roster information into one procurement document; inputs all informational and pricing schedules into the bidsandtenders online platform	12 weeks (May to July)
RFRC document to be issued	6 – 8 weeks (July to mid / late August)
RFRC closes; all submissions to every category reviewed and read at a high level to ensure compliancy	2 to 3 weeks
First vendor dispute period	2 weeks
Submissions distributed for evaluations	8 weeks
bidsandtenders website is updated and remaining proponents advised (successful or not successful)	1 week
Second vendor dispute period	2 weeks to 4 weeks
Roster is awarded and Roster Candidates required to submit their insurance, WSIB and other requirements	2 weeks to 8 weeks
Schedule to Complete RFRC Procurement Process	35 weeks to 46 weeks (approx. 8 to 10.5 months)

It is worth noting that many Roster Captains manage multiple Roster categories and, therefore, are required not only to finalize one, but sometimes up to eight different categories. It is also worth noting that Roster Captains rely on the previous cycle’s review and notes for improvement in order to ensure that past errors are not repeated and lessons are learned to make the documents clearer and easier for bidding.

Once all the terms of reference, evaluation criteria and costing mechanisms are submitted to Procurement, Procurement staff can only then start compiling and building the Request for Roster Candidates (RFRC) document and the accompanying electronic bidding costing sheets. This process is complex and requires a high degree of coordination and acute accuracy in order to mitigate necessary changes to the Request for Roster Candidates (RFRC) after issuance through addenda. It is for these reasons that all staff begin preparations on the new Request for Roster Candidates (RFRC) many months in advance of the Request for Roster Candidates (RFRC)’s issuance.

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Once the Request for Roster Candidates (RFRC) procurement closes, Procurement staff completes the due diligence required. In fact, all Procurement staff are involved in some respect to the administration of the Request for Roster Candidates (RFRC) process. Procurement staff is required to review each submission received (the City received 410 submissions to the current Request for Roster Candidates procurement process) to ensure compliancy and address all qualifications or caveats that might be cause to reject the submission and then allow for a 10 business day vendor dispute period. Once this due diligence is complete, only then can the submissions be distributed to the evaluation teams for scoring.

Each Roster Captain chairs an evaluation team and every evaluation meeting is facilitated by a Procurement Specialist. Evaluation teams have two months to complete their evaluations and meet to arrive at consensus scores. Procurement staff then perform further due diligence, present the list of successful Rostered Candidates to the Director of Procurement and the applicable General Manager for approval, and then, update the bids and tenders accordingly. Once the website has been updated, a second vendor dispute period is held to allow proponents to address any of their complaints.

Once the Roster is confirmed and approved, Procurement staff issues the formal award letters and begins the process of collecting Roster Candidates' information, including certificates of insurance, WSIB clearance certificates, statement of acknowledgements regarding the City's AODA Customer Service Standard Handbook, data license agreements and electronic funds transfer information. It is only after these documents are received that Roster Assignments can be assigned.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

The Request for Roster Candidates (RFRC) is issued in accordance with By-law 20-205 as amended, City Procurement Policy, specifically:

- Policy #5.4 – Request for Proposals
- Policy #9 – Consulting and Professional Services
- Policy #18 – Vendor Complaint Resolution

## **RELEVANT CONSULTATION**

The Roster Executive (staff representation from Public Works, Planning and Economic Development divisions and the City Manager's Office) was consulted and contributed to the preparation of Report FCS24038. Members of the Roster Executive and Roster Committee all fully support the recommendations presented to Committee and Council.

## **ANALYSIS AND RATIONALE FOR RECOMMENDATION(S)**

In order to meet the scheduled timelines as set out in the Request for Roster Candidates (RFRC) Process Chart within Report FCS24038, staff began working on the Request for

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Roster Candidates (RFRC) in November 2023, with critical completion dates for staff to finalize the category-specific requirements during the period of February to April 2024.

As a result of the cyber incident, staff were unable to finalize the Request for Roster Candidates (RFRC) document in order to meet the identified schedule for issuance and award of the Contract. The City continues to make steady progress in recovering from the cyber incident. As a result, staff is able to resume working towards finalizing the necessary documents. Additionally, with competing priorities and backlog of work, it will be challenging for staff to complete the preparation of the Request for Roster Candidates (RFRC) documents this year without setting aside other City work or awarding the Roster late, well into 2025.

Staff is requesting Council's approval to extend Contract C12-13-21 for a six-month period to June 30, 2025, with the option to extend another six months, if required, until December 31, 2025. If approved, the option to extend will be at the discretion of the City Manager, the General Manager, Public Works and the General Manager, Planning and Economic Development. The proposed extension will allow staff the additional time to balance current workloads and ensure a quality procurement document for bidding while maintaining continuity of consultancy required services by Roster Candidates. Staff will continue its efforts to complete the Request for Roster Candidates (RFRC) document and work to achieve issuance of the Request for Roster Candidates (RFRC) by Q2, 2025. However, should it not be possible to complete the Request for Roster Candidates (RFRC) procurement process within the six-month initial time frame, staff will request the applicable senior leaders to approve an additional six-month extension.

Staff is also recommending that the Director of Procurement be directed to negotiate with Roster Candidates an increase of no more than 2% on their hourly rates and no increase on any additional fees or charges. This is consistent with the extension that was granted through Report FCS20054 when Council approved an extension to Roster contract C12-06-18 for one year to accommodate for COVID-19 impacts. Staff feel that a 2% increase is still reasonable and was successful in this previous instance. Further, consultants benefit from the additional year to provide services to the City without having to spend time and money on preparing new Request for Proposals.

#### Process for Extending the Contract

Should Council approve the recommendations within Report FCS24038, Procurement staff will immediately engage the Roster Candidates and advise them that the City wishes to extend the Contract. Since the Request for Roster Candidates (RFRC) did not include an option to extend the Contract beyond the three-year term, the City cannot require a Roster Candidate to agree to the extension. Therefore, the Roster Candidate will have full discretion and they can either agree to the extension and the terms or end the contract on December 31, 2024.

## **ALTERNATIVES FOR CONSIDERATION**

Council may choose to not approve the recommendations in Report FCS24038 and direct staff to continue to work on completing the new 2025 - 2027 Request for Roster Candidates (RFRC).

If this alternative is chosen, staff will need to set aside priority work that has been delayed due to cyber incident impacts and dedicate significant time and effort to complete the Request for Roster Candidates (RFRC) for issuance sometime in Q4 of 2024. This amended timeline will result in a delay in the award of the new Roster and halt the award of any new Roster assignments and consultancy work until Q2 of 2025.

This alternative does not deliver on Council priority projects and does not consider the significant impacts of the cyber incident. Therefore, this alternative is not recommended. Furthermore, not extending the Contract will result in consultancy assignments not being awarded until a new Roster is awarded. This may create undue delays in consultancy work being performed throughout the City or, alternatively, create a significant number of Policy 11 requests to single source consultancy work.

**Financial:** No impact. Staff would complete the Request for Roster Candidates (RFRC) for bidding and the new contract would start in Q2 of 2025.

**Staffing:** This alternative would redirect staff efforts to delivering this Request for Roster Candidates (RFRC) with a delay of at least three months to the Request for Roster Candidates (RFRC) Procurement Process timeframes previously identified in Report FCS24038. Staff would be redirected away from other deliverables to make this deadline. Additionally, staff may be required to work overtime, thus resulting in an increase in staffing costs.

**Legal:** N/A

## **APPENDICES AND SCHEDULES ATTACHED**

N/A