



## CITY OF HAMILTON

### **CORPORATE SERVICES DEPARTMENT** *Treasury Services Division*

<b>TO:</b> Chair and Members Audit, Finance and Administration Committee	<b>WARD(S) AFFECTED:</b> CITY WIDE
<b>COMMITTEE DATE:</b> January 18, 2012	
<b>SUBJECT/REPORT NO:</b> Award of Contract C12-10-11 Mobile Welding and Fabrication Services for Various City of Hamilton Divisions (FCS12003) (City Wide)	
<b>SUBMITTED BY:</b> Antonio D. Tollis Treasurer Corporate Services Department	<b>PREPARED BY:</b> Rick Male, ext. 4157
<b>SIGNATURE:</b>	

### RECOMMENDATION

That Request for Tenders C12-10-11 Mobile Welding and Fabrications Services for the City of Hamilton be awarded to the lowest compliant bid, North Star Technical Inc., with an estimated five year expenditure of \$917,600.00.

### EXECUTIVE SUMMARY

The City of Hamilton was seeking bids for mobile welding and fabrications services for various City of Hamilton Divisions. The successful bidder of this contract will be required to perform mobile welding (i.e. rig welding or portable welding) on-site at the City as well as in-house welding and fabrication of parts for various City Divisions on an as needed basis.

The term of the contract is for one year with the options to renew for four one year terms.

The options to renew are at the sole discretion of the City and shall be at the same terms and conditions as the original Contract including the price.

**Bid Submission Results**

<b>C12-10-11 Mobile Welding and Fabrications Services for Various City of Hamilton Divisions</b>	
<b>Company Name</b>	<b>Total Contract Price</b>
<b>North Star Technical Inc.</b>	<b>\$917,600.00</b>
Best Boys Landscaping Ltd.	\$1,054,400.00
Versitech Industries Inc.	\$1,095,200.00
Donkers Millwrighting Services Inc.	\$1,104,000.00
Lancaster Sheet Metal	\$1,110,900.00

**Alternatives for Consideration – See Page 3**

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

**Financial:** This is the first combined Corporate Contract for Mobile Welding and Fabrication Services. By combining various City departments' service requirements, the City will maximize volume discounts offered by service providers.

**Staffing: None**

**Legal: None**

**HISTORICAL BACKGROUND** (Chronology of events)

The Request for Tenders C12-10-11 was issued on November 1, 2011 and closed on Thursday, November 24, 2011. There were twelve plan takers who secured the document and five compliant submissions were received.

The award of the contract is being recommended to the compliant bidder with the lowest total contract price. The actual value of the contact will depend on the actual volume of work required.

**POLICY IMPLICATIONS**

As per Purchasing Policy, Section 4.4, Policy 4 - Approval Authority, item 4(b), approval is required for the award of Corporate Contracts.

**RELEVANT CONSULTATION**

This Contract was developed in consultation with Recreation, Environment and Sustainable Infrastructure, Transportation, Energy Fleet and Facilities, and Operations and Waste Management.

**ANALYSIS / RATIONALE FOR RECOMMENDATION**

(include Performance Measurement/Benchmarking Data, if applicable)

The City benefits from discounted volume based pricing when a Corporate Contract is issued versus each individual department securing prices on their own for similar services. Management of the procurement of all these services is simplified when dealing with one vendor versus multiple vendors.

**ALTERNATIVES FOR CONSIDERATION**

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

The alternative method would be to secure competitive bids for each department; which would result in the duplication of effort and the City would not realize any cost savings that is achieved by volume discounts.

**CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)**

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

N/A

**APPENDICES / SCHEDULES**

N/A