



INFORMATION REPORT

TO: Mayor and Members General Issues Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: November 20, 2013	
SUBJECT/REPORT NO: Joint Municipal Opportunities for Bulk Purchasing (FCS13089) (City Wide) (Outstanding Business List Item V)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services Department	PREPARED BY: Rick Male (905) 546 2424 ext. 4157
SIGNATURE:	

Council Direction:

At the December 11, 2012 General Issues Committee Meeting 12-024(b), the following direction resulted from discussions respecting the 2013 Tax Supported Capital Budget;

“That staff be directed to explore joint municipal opportunities for bulk purchases of capital equipment and vehicles such as fire trucks and land ambulances, and report back to the General Issues Committee on progress.”

Information:

The Procurement Policy By-law contains a dedicated policy for cooperative procurements. The policy allows the City to jointly participate in contracts in coordination with other municipalities, academia, schools and hospitals (MASH sector) as well as government bodies, public authorities and conservation authorities. As well, the City may ‘piggyback’ on existing contracts that have been issued by these agencies where there is a provision to do so.

SUBJECT: Joint Municipal Opportunities for Bulk Purchasing (FCS13089) (City Wide) (Outstanding Business List Item V) - Page 2 of 2

Many of the contracts that have been issued and awarded by the provincial government include provisions to allow agencies within the Broader Public Sector (BPS) to piggyback on its contracts. This type of provision is prevalent for those goods and services that are used corporate wide. Some examples would include desktops/laptops, cell phone carriers, print fleet, courier services and the like.

It has become practice to investigate these opportunities when a current contract is coming towards the end of its term and the City has taken advantage of these opportunities when there is a benefit to do so. Some examples of contracts that the City participates in include next day courier services, document shredding and Microsoft software products.

In other instances, the City has elected to award its own contract when a cooperative contract exists. This was the case for the print fleet contract. In reviewing the provincial agreement, the City found that these printers were of lower functionality that what the City required and therefore did not participate.

Each contract is reviewed on a case by case basis and where there is a benefit, the City has exercised its option to participate. A request was sent to all the operational departments to identify all joint purchases that the City is currently participating in and what contracts are being contemplated. A list of the cooperative purchases, that are currently in year or are in the process of being issued, is provided in Appendix 'A' to report FCS13089. There are 17 active cooperative contracts with an estimated annual spend of approximately 26.5 million dollars.

In 2005, the City also actively participated in the joint purchase of street sweepers with the City of Toronto, with Toronto being the lead agency in the procurement. The award of this purchase resulted in a reported savings of approximately \$300,000 (including taxes).

In collecting this information from the operational departments, it was noted that there are contracts that are currently being investigated, but not utilized at the present time. The contracts that are being contemplated include Cisco equipment, Information Technology Professional Services and computers.

As of 2010, the provincial government has made a conscious effort to make their contracts available to the Broader Public Sector. The City's participation has increased in the past few years as evidenced by the information reported in Appendix 'A' to report FCS13089.

**City of Hamilton
Existing Cooperative Purchases**

Department	Division	Description of Services	Vendor Name	Estimated Annual Spend (\$)	Term of contract	Other Agencies Involved	Type of Joint Purchase (piggyback, cooperative, other)
Public Works	Environmental Services	This is part of a Joint Project with multiple stakeholders. To Provide Falconry, Egg Removal, Exclusion, and pyrotechnics to control Gulls at Windermere Basin. The Hamilton Port Authority administers this joint project and procures their work. Predator was the Low bid of their process. Other stakeholders include the HPA and Environment Canada	Predator Bird Services Inc.	\$17,309 (City of Hamilton Portion)	Currently in a 1 yr Extension for 2013.	Hamilton Port Authority, Environment Canada	Cooperative with HPA as lead.
Public Works	Transportation	Joint Procurement for Transit buses, facilitated through Metrolinx.	New Flyer Industries	\$8,342,574.02	Currently in year 3 of a 3 year contract.	Metrolinx, Barrie, Brampton, Burlington, Durham, Hamilton, Kingston, London, Milton, North Bay, Sarnia, St. Catharines, Welland, Windsor, York	Cooperative with Metrolinx as lead.
Public Works	Transportation	Joint Procurement of Specialized Buses, facilitated through Metrolinx.	Creative Carriage	\$5,795,370.00	Currently in year 2 of a 2 year contract.	Metrolinx, Barrie, Cornwall, Durham, Kingston, Hamilton, Kenora, North Bay, Oakville, OC Transpo, Orillia, Sarnia, St. Thomas, Welland, York	Cooperative with Metrolinx as lead.
Public Works	Transportation	Joint Procurement of Transit Inventory Management Services, facilitated through Metrolinx	Neopart	\$4,709,520.00	Currently in year 3 of a 3 year term, however there are an additional 2 option years concluding in 2015.	Metrolinx, Brampton, Burlington, Durham, Grand River, Hamilton, London, Oakville	Cooperative with Metrolinx as lead.

**City of Hamilton
Existing Cooperative Purchases**

Department	Division	Description of Services	Vendor Name	Estimated Annual Spend (\$)	Term of contract	Other Agencies Involved	Type of Joint Purchase (piggyback, cooperative, other)
Public Works	Environmental Services	Joint purchase with the Region of Halton for the provision of Household Hazardous Waste (HHW) services at the City's 3 HHW depots.	Hotz Environmental Services Inc.	\$1,200,000.00. This is an annual estimate as the cost fluctuates depending on tonnages received. Also, \$800K - \$900K is paid directly to Hotz and the remainder is paid through provincial funding.	Original was a 3 year contract which was extended for 2 year which expired in April 2013. A further 2 year extension with the option of an additional 1 year extension has been entered and was approved by Council.	Region of Halton	Originally co-operative with Region of Halton as lead.
Community & Emergency Services	Macassa and Wentworth Lodges	Group purchasing services for food and related supplies for the food service and nutrition programs.	Complete Purchasing Services Inc.	\$1.46M (in 2012)	one year	none	Piggyback. Complete Purchasing Services Inc. is a division of Aramark and has nation-wide members which include long term care homes, senior living retirement communities, schools, camps and more. This allows them to offer Canada wide purchasing power.

**City of Hamilton
Existing Cooperative Purchases**

Department	Division	Description of Services	Vendor Name	Estimated Annual Spend (\$)	Term of contract	Other Agencies Involved	Type of Joint Purchase (piggyback, cooperative, other)
Community & Emergency Services	Social Housing Administration	Collaborative initiative that has been undertaken with 7 other municipalities for the development of an integrated, web based software solution for the administration of Social Housing. The system will contain the following modules: <ul style="list-style-type: none"> • System Administration • Programs • Housing Provider Portfolio • Contacts • Financials • Housing Provider Portal • Performance Management 	There is no vendor at this time as the RFP isn't expected to be issued until December 2013	A one time capital cost of \$1.5M of which the Hamilton share will be \$300K. An additional annual operating cost for ongoing maintenance and hosting fees of approximately \$34K	There is no term as the successful proponent has not yet been chosen	<ul style="list-style-type: none"> • City of Windsor • City of London • City of Ottawa • Regional Municipality of Waterloo • Regional Municipality of Halton • Regional Municipality of York Region and • Municipality of Chatham-Kent 	
Corporate Services	POA	Print & Mail of Notices of Fine and Due Date	Data Group	\$50,000.00	one year with two one year renewal options for 2014 and 2015	All POA sites across the Province	Co-operative RFP lead by Region of York POA
Corporate Services	POA	Court Forms	Data Group	\$40,000.00	Jan 1/08 - Dec 31/13	All POA sites across the Province	Co-operative RFP lead by City of Toronto POA
Corporate Services	POA	Data Entry of tickets	Critical Control	\$40,000.00	April 1/12 - March 31/15	POA from Cities of Burlington, Brampton, Mississauga and Hamilton.	Co-operative RFP lead by City of Brampton POA

**City of Hamilton
Existing Cooperative Purchases**

Department	Division	Description of Services	Vendor Name	Estimated Annual Spend (\$)	Term of contract	Other Agencies Involved	Type of Joint Purchase (piggyback, cooperative, other)
Corporate Services	City Wide	Courier Services - Next Day or Best Available	Purolator Courier	\$34,000.00	44073	Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggyback
Corporate Services	City Wide	General Office Products	Corporate Express Canada Inc. o/a Staples Advantage	\$736,000.00	12/08/2013	Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggyback
Corporate Services	City Wide	Secure Document Destruction Services	Iron Mountain Canada Corporation	\$100,000.00	29/02/2016	Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggyback
Corporate Services	Information Technology	Desktop and Mobile Computers	Dell	\$1,200,000.00	01/12/2015	McMaster University, Mohawk College	Cooperative RFP - collaborative effort
Corporate Services	Information Technology	Cellular Devices and Services	Bell Mobility	\$1,200,000.00	30/11/2015	Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggyback
Corporate Services	Information Technology	Adobe Software	CDW	\$20,000.00	01/12/2015	Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggyback

**City of Hamilton
Existing Cooperative Purchases**

Department	Division	Description of Services	Vendor Name	Estimated Annual Spend (\$)	Term of contract	Other Agencies Involved	Type of Joint Purchase (piggyback, cooperative, other)
Corporate Services	Information Technology	Microsoft Licensing	Compugen	\$172,000.00	01/09/2016	Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggyback
Corporate Services	Information Technology	Network Servers	Compugen	\$1,400,000.00		Provincial Contract; issued by Ministry of Government Services - Ontario Shared Services	Piggy Back - Annual spend changes each year based on server replacement required