

CITY OF HAMILTON

CORPORATE SERVICES DEPARTMENT
Financial Services Division

TO: Chair and Members Audit, Finance & Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: December 9, 2013	
SUBJECT/REPORT NO: Armoured Car Services – Authorization to Negotiate (FCS13078) (City Wide)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services Department	PREPARED BY: Rick Male (905)-546-2424 ext. 4157
SIGNATURE: 	

RECOMMENDATION

That the Acting General Manager of Finance & Corporate Services, or their designate, be authorized to negotiate a five year contract with Brink's Canada Limited to provide armoured car services to the City of Hamilton.

EXECUTIVE SUMMARY

Brink's Canada Limited (Brink's) is the current provider of armoured car services to the City of Hamilton. A four year contract, with two optional years at the City's discretion, was negotiated with Brink's in 2008 after the City experienced significant problems (fraud) with the company who had been awarded the contract as the result of a tender issued in 2004.

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The contract with Brink's expires in November 2013 and the options the City has are to issue a public tender for armoured car services or negotiate a new contract with Brinks.

Alternatives for Consideration – Not Applicable.

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

Financial: The annual value of the contract is approximately \$270,000 and the 7400, plus deposits, handled by the armoured car services provider total approximately \$450 million per year.

Staffing: Not issuing a tender will save the procurement and user department staff time required to put together the tender and specifications and to review the submissions.

Legal: Not Applicable.

HISTORICAL BACKGROUND (Chronology of events)

Council directed staff to negotiate a contract with Brink's after significant problems (fraud) were experienced with the incumbent providing the City with armoured car services. Council further directed staff to amend the Procurement Policy of the City to require staff to seek Council direction on the type of procurement process to be followed for the acquisition of the Good and/or Service where there is an incumbent vendor on a City corporate contract which is of a highly sensitive nature, due to the risk associated with financial loss, confidentiality or the handling of sensitive information. This was to be done through a report to the applicable standing committee of Council. This requirement was incorporated into Procurement Policy #4 – Determining the Procurement Policy, Section 4.5(5).

The contract for armoured car services includes pick-up of deposits from City locations, armoured car transportation, coin counting and coin wrapping/boxing and delivery to the City's bank for deposit.

POLICY IMPLICATIONS/LEGISLATED REQUIREMENTS

The requirement to seek Council direction is contained in Procurement Policy #4 – Determining the Procurement Policy, Section 4.5(5).

RELEVANT CONSULTATION

Procurement staff reviewed the market to ascertain which companies could provide the armoured car and coin counting/wrapping/boxing requirements. It was determined that there are three large companies: Brink's Canada Limited, GardaWorld and Inkas Security Services Inc., who can provide all of the services required. Brink's have been in operation since 1859, GardaWorld since 1995 and Inkas Security Services Inc., since 1996.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

There are limited companies (three) who can provide the armoured car services that the City requires. Historically, Brink's has provided these services to the City with the exception of the four year period (mid 2004 – mid 2008) when the contract was held by Avero Security Inc. Operating departments are pleased with the services being provided by Brink's and Brink's has expressed a willingness to negotiate a new five year contract with the City. Negotiating a new agreement with Brink's will ensure the City's armoured car services remain under the existing processes and safeguards that have been put in place with Brink's. The City should be able to negotiate a contract that recognizes the savings Brink's will experience by not having to respond to a tender. The City will also realize the savings of staff time that will not be spent developing the tender and specifications, reviewing the submissions and then working with the successful bidder to put the services in place.

ALTERNATIVES FOR CONSIDERATION

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

Not Applicable.

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN:

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

3.4 Enhance opportunities for administrative and operational efficiencies.

APPENDICES / SCHEDULES

Not Applicable.