

# Staff Report



Financial Services Department

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**REPORT TO:** Committee of the Whole

**DATE OF MEETING:** September 25, 2023

**SUBMITTED BY:** Ryan Scott, Chief Procurement Officer, 519-741-2200 ext. 7214

**PREPARED BY:** Brad Kowaleski, Procurement Specialist, 519-741-2200 ext. 7063

**WARD(S) INVOLVED:** N/A

**DATE OF REPORT:** September 8, 2023

**REPORT NO.:** FIN-2023-420

**SUBJECT:** NSP23-044 Multiyear Non-Standard Procurement Suppliers

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## RECOMMENDATION:

**That the City proceed with non-standard procurement and enter into agreements with the suppliers listed in Attachment 1 for a period of up to five (5) years;**

## REPORT HIGHLIGHTS:

- The purpose of this report is to obtain approval to proceed with non-standard procurement in accordance with Procurement By-law 2022-109;
- The City has arrangements with the suppliers named in Attachment 1 for many years and continuing these partnerships will allow the City to continue standardization of products and delivery of services both internally and externally;
- This report supports the delivery of core services.

## BACKGROUND:

Through a number of longer-term sourcing activities, the City has standardized on products and services to be able to deliver services both internally and externally to the public through various business models. We are looking to improve and leverage our relationships through longer agreements with each supplier that falls under specific requirements for non-standard procurement, which would provide benefits such as cost control, reduction in sourcing lead time, administration and control, and better pricing.

Through analysis of these arrangements, there are a handful where there is an absence of competition due to being the only supplier in Canada, or exclusive rights to distribution in Canada, or due to standardization of products here at the City, or other, and those are being brought forward for recommendation to utilize non-standard procurement, which is allowed under Procurement Bylaw 2022-109.

The actual spend will depend on the level of activity throughout the term of the contracts.

\*\*\* This information is available in accessible formats upon request. \*\*\*  
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

## REPORT:

In accordance with the Procurement By-law 2022-109, Section 15 – Non-Standard Procurement, Council’s approval is required as the total value of the deliverables for this non-standard procurement exceeds the delegated authority.

A non-standard procurement is the acquisition of goods, services or construction through a process or method other than the process and method normally required for the type and value of the required deliverables, as identified below:

Requirement	Procurement Value Excluding Taxes	Procurement Process	Approval Authority
Goods, Services or Construction under the circumstances included in Schedule “C”.	\$30,001 - \$120,000	Non-Competitive or Limited Competition	Chief Procurement Officer
Goods, Services or Construction under the circumstances included in Schedule “C”.	\$120,001 or more	Non-Competitive or Limited Competition	Council

In accordance with the Procurement By-law 2022-109, Schedule “C”, The City may acquire goods, services and construction through a non-standard procurement process within specific circumstances listed. Below are the applicable clauses within Schedule “C” and additional information providing justification supporting their use:

2. **Where only one supplier is able to meet the requirements of a procurement in order to:**
  - a) **ensure compatibility with existing products**

The City has partnered with specific suppliers over the past decade and in some instances, these partnerships are multiple decades old. To ensure compatibility and standardization with existing products and services being delivered, only one supplier is able to meet specific requirements. The City has run open competitive procurement several times, however, only receive one response from the sole supplier whom can meet the requirements with existing products and service levels. The costs for these products and services are funded in full by a third party via the business model that the division is operating at the end user level.

3. **Where there is an absence of competition for technical reasons and the goods or services can only be supplied by one particular supplier and no alternative or substitute exists.**

For Fire and Fleet specialty vehicles, there is often an original equipment manufacturer, and an authorized distributor of parts and services or repair facility in Ontario only or Canada wide. For that reason, an absence of competition exists and the product or services can only be provided by one supplier and the City procures from those suppliers directly.

4. **The procurement is for additional deliverables by the original supplier of the goods or services that were not included in the initial procurement if a change of supplier for such additional goods or services:**
- a) **cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and**
  - b) **would cause significant inconvenience or substantial duplication of costs for the City.**

Considerations include health and safety approval requirements for equipment and arrangements that support standardization Region wide.

**STRATEGIC PLAN ALIGNMENT:**

This report supports the delivery of core services.

**FINANCIAL IMPLICATIONS:**

Funding for these goods and services are available in the approved annual operating and capital budgets. It is anticipated that the total estimated annual value through these agreements represent approximately \$1,820,000.

**COMMUNITY ENGAGEMENT:**

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

**PREVIOUS REPORTS/AUTHORITIES:**

There are no previous reports/authorities related to this matter.

**APPROVED BY:** Jonathan Lautenbach, Chief Financial Officer, Financial Services Department

**ATTACHMENTS:**

Attachment 1 – Listing of Non-Standard Procurement Suppliers

### Attachment 1 – Listing of Non-Standard Procurement Suppliers

Item	Division	Supplier	Description of Service	Estimated Annual Value	Reason
1	Utilities	FORTISBC ENERGY INC.	Test and Rebuild Meters Repairing and Sealing of Gas Meters	\$50,000/year	Ensure compatibility with existing products
2	Utilities	LAKESIDE PERFORMANCE GAS SERVICES	Gas Meter and Regulator Retrofit Service	\$500,000/year	Ensure compatibility with existing products
3	Utilities	NEPTUNE TECHNOLOGY GROUP (CANADA)	Water Meters, Appointment Setting Install Services	\$200,000/year	Ensure compatibility with existing products
4	Utilities	ROMET LIMITED	Rotary Meters	\$135,000/year	Ensure compatibility with existing products
5	Fire	CITY VIEW BUS & TRUCK REPAIR	Rosenbauer Parts & Service	\$30,000/year	Goods can only be supplied by one particular supplier
6	Fire	C-MAX FIRE SOLUTIONS	KME Parts & Service	\$50,000/year	Goods can only be supplied by one particular supplier
7	Fire	COMMERCIAL TRUCK EQUIPMENT	Pierce Parts & Service	\$50,000/year	Goods can only be supplied by one particular supplier
8	Fire	CHIEFS HEAVY TRUCK COLLISION	Collision/Paint/Body Work on Fire Apparatus	\$50,000/year	Authorized Repair Facility for Warranty and other Repair
9	Fire	A J STONE COMPANY LTD	Misc Fire Supplies - Gas Detection, Vehicle Parts, Equipment Helmets and Accessories Apparatus Firefighting Foam	\$95,000/year	Health and Safety approval requirements for equipment, regional standardization
10	Fire	MOTOROLA SOLUTIONS CANADA INC	P25 Radio Hardware Replacement	\$120,000/year	Health and Safety approval requirements for equipment, regional standardization

11	Fire/Fleet	KW SPRING & SUSPENSION LTD	Spring & Suspension	\$50,000/year	Authorized Repair Facility for Warranty and other Repair
12	Fleet	EPOKE NORTH AMERICA INC.	Epoke Parts and Equipment for Spreaders (standardized)	\$100,000/ year	Goods can only be supplied by one particular supplier
13	Fleet	JOE JOHNSON EQUIPMENT INC	Vactor and Elgin Parts and Service	\$100,000/year	Goods can only be supplied by one particular supplier
14	Fleet	WORK EQUIPMENT	Trackless Parts & Service (standardized)	\$100,000/year	Goods can only be supplied by one particular supplier