Audit and Administration Committee
MINUTES
9:30 a.m.
Wednesday, March 3, 2010
Albion Room
Hamilton Convention Centre
One Summer’s Lane

Present: Councillors R. Powers (Chair), B. Morelli (Vice Chair),
B. Clark, C. Collins, M. Pearson and T. Whitehead

Absent with
Regrets: Councillor B. Bratina – Other City Business

Also Present: C. Murray, City Manager
R. Rossini, General Manager, Finance & Corporate Services
P. Barkwell, City Solicitor
J. Priel, General Manager, Community Services
G. Davis, General Manager, Public Works
T. Tollis, City Treasurer
M. Zegarac, Director, Financial Planning & Policy
T. Fallis, Coordinator, Elections & Freedom of Information
S. Paparella, Legislative Assistant, Office of the City Clerk

THE FOLLOWING ITEMS WERE REPORTED TO COUNCIL FOR CONSIDERATION:

1. Freedom of Information Quarterly Report (October 1 to December 31, 2009) (CL09003(c)) (City Wide) (Item 5.1)

(Pearson/Morelli)
That Report CL9009(c) – Freedom of Information Report (October 1 to December 31, 2009), be received.

CARRIED

2. Monthly Status Report of Tenders and Requests for Proposals for January 1, 2010 to February 5, 2010 (FCS10017) (City Wide) (Item 5.2)

(Pearson/Morelli)

CARRIED
3. **Award of Proposal C11-19-09 - Office Furniture (FCS10005) (City Wide)**
   (Item 8.1)

   (Pearson/Morelli)
   (a) That the Request for Proposals C11-19-09 – Office Furniture, be awarded on an as is and when needed basis to Teknion Furniture Systems Co. Limited using the discounted pricing structure offered in their financial proposal; being the lowest base submission price.

   (b) That all furniture acquisitions are coordinated through and administered by the Corporate Facilities Management (CFM) Section of the Public Works Department;

   (c) That the Teknion product line offered in response to the Request for Proposals C11-19-09, as detailed in Appendix ‘A’ to report FCS10005, be approved as the standard for the City’s furniture requirements and is to be single sourced through the manufacturer’s designated dealer, who is currently Lordly Jones Limited;

   (d) That the current Teknion product, TOS, remain the standard for existing workstations and continue to be utilized for reconfigurations, as per Item 1 of the Public Works Committee Report 09-004, approved by Council on March 11, 2009, respecting Supply of Furniture; and,

   (e) That the General Manager of Public Works be authorized and directed to negotiate and execute all appropriate contracts and agreements in a form satisfactory to the City Solicitor.

   (f) That staff be directed to not to exceed the 2010 approved budget amount for the purchase of furniture for City facilities.

   (g) That a Sub-committee to the Audit & Administration Committee; to be called the Furniture Review Sub-committee, be established to review the budget and process for the purchasing of furniture for City of Hamilton facilities.

   (h) That the Furniture Review Sub-committee be comprised of three (3) members of the Audit & Administration Committee.

   (i) That the following three (3) members, of the Audit & Administration Committee, be appointed to the Furniture Review Sub-committee:

   (a) Councillor C. Collins
   (b) Councillor T. Whitehead
   (c) Councillor B. Morelli

   **AMENDMENT CARRIED**

   **MOTION AS AMENDED, CARRIED**
4. Corporate Desktop and Mobile Computer Contract Extension (FCS09068(a)) (Item 8.2)

(Morelli/Pearson)
That the existing Contract with Audcomp Computer Systems for the purchase and maintenance of Desktop and Mobile Computers be extended until July 1, 2010, while responses to RFP contract number C12-02-10 for Desktop and Mobile Computing Services are evaluated and a report to Council recommending the successful proponent is prepared. The new Contract will be awarded with an effective date on or before July 1, 2010.

CARRIED

5. Request for Proposal (RFP) for Banking Services (FCS10018) (City Wide) (Item 8.3)

(Whitehead/Morelli)
That a Request for Proposal for Banking Services be issued for a term of ten years.

CARRIED

6. City of Hamilton/Horizon Utilities Corporation Metered Water Reading and Billing Contract Amending Agreement (FCS10014) (City Wide) (Item 8.4)

(Morelli/Pearson)
(a) That Appendix “A” to Report FCS10014, respecting the Amending Agreement between the City of Hamilton and Horizon Utilities Corporation be approved; and,

(b) That the General Manager of Finance and Corporate Services and City Clerk be authorized and directed to execute, on behalf of the City of Hamilton, the Amending Agreement (attached as Appendix A to Report FCS10004) and all necessary associated documents, in a form satisfactory to the City Solicitor.

CARRIED

7. Purchasing Sub-committee Report 10-001 (Item 8.5)

(a) Amendment to Tender Documents (Items 3.1, 3.2 and 3.3)

That the following procedure be reflected in the instructions to vendors contained in the City’s procurement documents:

“That where the lowest compliant submission contains a legible change such as an erasure, strike out, white out, cross out or overwriting, the vendor be required to initial such change within one business day of the City’s request.”
Failure by the vendor to do so will result in the disqualification of the submission and the banning of the vendor (as defined in Section 4.1(3) of Purchasing Policy #1 – Policy for Vendor Eligibility) for a period of one (1) year from entering into or bidding on any contracts with the City.”

CARRIED

8. Appointment of New Citizen Members of the HECFI Board of Directors (HEC10002) (City Wide) (Item 8.6)

(Whitehead/Collins)
That Marcel Mongeon and Eugene Stodolak be appointed to the HECFI Board of Directors, for a three year term ending March 31, 2013, or until such time as successors are approved by Council.

CARRIED

FOR THE INFORMATION OF COMMITTEE:

(a) CHANGES TO THE AGENDA (Item 1)

The Committee Clerk advised of the following changes to the agenda:

(i) Item 8.5 – Purchasing Sub-committee Report 10-001 (listed on the agenda as to be distributed)

(ii) Added as Item 4.1 – Delegation request, submitted by Mr. Ted Valeri, and Mr. Rudi Spallacci, respecting RFP C5-37-09, Canada-Ontario Affordable Housing Program 2009 Extension – New Rental Housing Component

(iii) Added as Item 8.6 – HECFI Board Report HEC10002, respecting Appointments to the HECFI Board of Directors

(Collins/Pearson)
That the agenda for the March 3, 2010 meeting of the Audit & Administration Committee be approved, as amended.

CARRIED

(b) DECLARATIONS OF INTEREST (Item 2)

There were no declarations of interest.
(c) MINUTES (Item 3)

3.1 February 17, 2010

(Pearson/Morelli)
That the Minutes of the February 17, 2010 meeting of the Audit & Administration Committee be approved, as presented.

CARRIED

(d) Delegation request, submitted by Mr. Ted Valeri and Mr. Rudi Spallacci, respecting RFP C5-37-09, Canada-Ontario Affordable Housing Program 2009 Extension – New Rental Housing Component (Items 4.1 and Item 6.1)

(Morelli/Pearson)
That the presentation provided by Mr. Ted Valeri and Mr. Rudi Spallacci, respecting RFP C5-37-09, Canada-Ontario Affordable Housing Program 2009 Extension – New Rental Housing Component, be received.

CARRIED

Mr. Valeri’s comments included, but were not limited to, the following:

- Mr. Valeri’s, T. Valeri Construction, application for RFP C5-37-09, Canada-Ontario Affordable Housing Program 2009 Extension – New Rental Housing Component was denied by the City of Hamilton.
- Mr. Valeri had met with City staff the last week of February to discuss the reasons for denial; and, does not believe that the reasons for denial are appropriate.
- Mr. Valeri is seeking Provincial funding for the project – not City funding.
- Application was accepted the first time. However, was not accepted the second time, and the RFP for both were virtually identical.
- Mr. Valeri would like the Committee to consider further discussion and consideration respecting this matter and the RFP process.

(Pearson/Morelli)
That Committee move into Closed Session, at 11:50 a.m., respecting Item 6.1 – RFP C5-37-09, Canada-Ontario Affordable Housing Program 2009 Extension – New Housing Rental Component, in regard to Mr. Valeri’s, T.Valery Construction, request for review of the RFP process in respect to his application, pursuant to Section 8.1, Sub-section (f) of the City's Procedural By-law 03-301, and Section 239, Sub-section (f) of the Ontario Municipal Act, 2001, as amended, for the receiving of advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

CARRIED
As shown in the Closed Session Minutes, the Audit & Administration Committee reconvened in Open Session at 11:57 a.m., and provided its recommendation, as shown below:

(Morelli/Pearson)
That the presentation, by Mr. Ted Valeri, respecting RFP C5-37-09, Canada-Ontario Affordable Housing Program 2009 Extension – New Rental Housing Component, be received and that no further action be taken.

CARRIED

(e) Additional Information respecting Award of Proposal C11-19-09 – Office Furniture (Item 7.1)

Rob Rossini, General Manager of Finance and Corporate Services, provided the presentation respecting Report FCS10005 – Award of Proposal C11-19-09, Office Furniture.

The main points included, but were not limited to, the following:

- Report FCS10005 – Award of proposal C11-19-09 to lowest base submission price – Teknion Furniture Systems Co. Ltd.
- Award of contract is based on lowest packaged price.
- Approves workstation standard.
- Contract allows the City to realize the following benefits:
  - Durable design and construction of the furniture;
  - Improve product sustainability – environmental accountability;
  - Ergonomics and health and safety standards;
  - Lifecycle replacement costs reduced with quality product;
  - Warranties – minimum 10 years; and,
  - Service, installation, quality assurance.
- In 2002 Council approved the negotiation of house account agreements – additional 17% price discount on workstations.
- Latest contract (FCS10005).
- further 10% price discount .
- Since 2002 - combined 27% price discount.
- Moving forward, furniture purchases will be tracked corporately through Corporate Facilities ARCHIBUS.
- Oversight and control of budgets are responsibility of departmental management.
- Based on 5-year furniture/fixture/equipment activity review:

  On average:
  - 70% of activity is product related
• 30% is labour related (i.e. design, delivery, setup, take down, relocation, etc.)

• Purchasing Policy #16 – Policy for Disposal of Surplus Goods
  • Manager of Purchasing responsible for disposal
  • Disposal is documented and filed in Purchasing for audit
  • Policy prohibits sale to employees, elected officials or their families unless under Public Auction

• Consolidation of staff downtown (e.g. Planning - $280K)
• City Hall renovation ($1.5M actual - $3M budget)
• Reconfiguration of workstations to maximize use of space – avoid higher lease costs (e.g. Public Health – $585K epidemiology 42 stations, Dundas 48 stations)
• Redevelopment/expansion of facilities – (e.g. W/WW lab $200K, Wentworth Lodge $580K)
• Relocation of program – (e.g. ATS $170K)

(Pearson/Morelli)
That the presentation, respecting the Additional Information respecting Report FCS10005, Award of Proposal C11-19-09 – Office Furniture, be received. CARRIED

(f) Purchasing Sub-committee Report 10-001, Item 2 (Item 8.5)

(Collins/Whitehead)
That Item 2 of the Purchasing Sub-committee Report 10-002 (shown below) be referred to staff for clarification, and a report back to the next appropriate Audit & Administration Committee.

“2. Process of Appointment of Citizens to the Purchasing Sub-Committee respecting Provision of Goods and Services to the City of Hamilton

(a) That staff be directed to correspond with the Chambers of Commerce requesting that a representative be appointed to participate on the Purchasing Sub-Committee for the purpose of reviewing policies, procedures and processes related to the provision of goods and services to the City;

(b) That staff be authorized and directed to publish a Notice to Citizens to solicit interested stakeholders to participate on the Purchasing Sub-Committee.” CARRIED
(g) ADJOURNMENT (Item 13)

(Pearson/Morelli)
There being no further business, the Audit and Administration Committee adjourned at 11:59 a.m.

Respectfully submitted,

Councillor Russ Powers, Chair
Audit and Administration Committee

Stephanie Paparella
Legislative Assistant
March 3, 2010