

City of Mississauga
Corporate Report



<p>Date: November 4, 2020</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files: PRC000788</p>
<p>From: Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer</p>	<p>Meeting date: December 2, 2020</p>

Subject

Request to Increase the Contract with Neptune Security Services Inc. for 3rd Party Security Guard Services, Procurement No. PRC000788 and to extend the term of the contract by six (6) months, from April 2021 until October 2021

Recommendation

1. That the Corporate Report titled "Request to Increase the Contract with Neptune Security Services Inc. for 3rd Party Security Guard Services, Procurement No. PRC000788 and to extend the term of the contract by six (6) months, from April 2021 until October 2021 dated November 4, 2020 from the Commissioner of Corporate Services and Chief Financial Officer, be received.
2. That the Purchasing Agent be authorized to increase the contract with Neptune Security Services Inc. for 3rd Party Security Guard Services by an additional amount of \$300,000 to a revised total contract value of \$799,812.50 (excluding taxes) to accommodate the projected increased demand for these services related to the COVID-19 pandemic.

Background

The contract for 3rd party security guard services was awarded to Neptune Security Services Inc. pursuant to a competitive procurement process. Neptune was the highest scoring and lowest priced bid submitted. The contract commenced in April 2018 and was initially targeted for security services use to cover routine security tasks (such as fire watch, watching buildings when security systems go down or can't be secured and supplemental security coverage.) The use of the service has increased since 2018 to other business areas within the City requesting services, for example, to protect equipment overnight when a maintenance project was underway.

Since the beginning of the COVID-19 pandemic, the scope was significantly increased as services were requested from various stakeholders within the City to have a presence at 10 City parks to enforce social distancing rules. These requests resulted in several increases in the limit of this contract as the demand for services continued throughout the summer months. During

phase 2 and 3 recovery, City facilities such as the Provincial Court House and City Hall began to reopen with restriction, such as mandatory mask wearing and screening questions for COVID-19. These restrictions could not be fully policed by the City's in-house security team. As a result, 3rd party security guard services were requested, which again significantly increased the contract value. The costs for the guard services have been charged back to the requesting City units, but this has still resulted in the overall spend being applied to the upper limit on the purchase order.

Comments

Neptune is well positioned to continue their services with the City of Mississauga and they have enough resources to meet current and future demand. The contract for 3rd party guard services runs until April 2021. Additional funds are being requested to meet projected demand and to cover a six (6) month increase in contract duration.

The Provincial Court House and City Hall require guards for screening, court matters, and for numerous other security coverage requests. As we progress deeper into the second wave of the COVID-19 pandemic it is anticipated that an increased demand will result.

The original approved contract value was \$199,812.50 and was increased in accordance with the Purchasing By-law to accommodate additional services on an emergency basis. The current contract value is \$499,812.50. Services continue to be required from multiple stakeholders within the City to facilitate the reopening of citywide facilities and enforce screening and COVID-19 related legislation. An additional \$300,000 is requested to meet demand. The total revised contract value will be \$799,812.50 Section 18 (2) (d) (ii) of the Purchasing By-law #374-2006 requires Council approval for increases which exceed 20% of the original contract value.

The current contract expires on April 30, 2021. A new procurement would have commenced shortly, however, there is a high demand for 3rd party security services and a shortage of personnel. These factors are likely to result in high prices over the next several months. Neptune has agreed to hold their current prices which are favorable to the City and represent best value. The City is currently benefiting from a very low hourly bill rate that would not be offered in the current market. A competitive procurement process should be conducted when the market for these services stabilizes. Staff also recommend that the existing contract with Neptune be extended by 6 months, until October 31, 2021. Materiel Management has reviewed this report and supports it from a procurement perspective.

Financial Impact

As mentioned in the comments section, multiple stakeholders within the City are requesting additional security services. These costs will be absorbed by the sections soliciting the services or accounted for as part of the COVID-19 related expenditures for the remainder of 2020 and 2021.

Conclusion

An increase to the existing contract with Neptune Security Services Inc. is required to provide 3rd party security guard services to meet the increased demands due to COVID-19 from business areas within the City of Mississauga. The contract with Neptune was established competitively and continues to represent good value and is well resourced to accommodate such additional work.

Approval is also being requested to extend the contract by six (6) months to minimize the impact on services during an unprecedented time due to COVID-19 and to wait for more favourable market conditions before proceeding with a competitive procurement process.



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

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