



The Corporation of the Town of Milton

Report To: Council

From: Glen Cowan, Chief Financial Officer / Treasurer

Date: November 15, 2021

Report No: CORS-057-21

Subject: Purchasing Various

Recommendation: THAT Council approve the budget amendments and related funding sources as outlined on Schedule A;

THAT the emergency work awarded to Seaforth Building Group for lease upgrades at 555 Industrial Drive in the total amount of \$65,456 (exclusive of HST) as outlined on Schedule B, be received for information;

THAT the emergency work awarded to Garda World and Edger Howden & Sons for the emergency order issued to 3230 Steeles Avenue as a result of fire damage in the total amount of \$8,145 (exclusive of HST) as outlined on Schedule C, be received for information;

THAT the proposal award to Mark's Commercial, a division of Mark's Work Warehouse Ltd. for the Supply & Delivery of Corporate Industrial Apparel & Related Products in the total annual estimated amount of \$44,936 (exclusive of HST) be approved as outlined on Schedule D;

THAT Council provide delegated authority to award the two (2) year renewal option remaining, up to a total contact term of three (3) years with a total estimated aggregate value of \$134,808 (exclusive of HST) in each renewal year as outlined on Schedule D;

THAT the proposal award to Deloitte LLP for External Audit Services in the total amount of \$388,700 (exclusive of HST) for a term up to 5 years be approved as outlined on Schedule E;

THAT Council provide approve the appointment of Deloitte LLP as the external auditor for the Town and local boards



The Corporation of the Town of Milton

Report #:
CORS-057-21
Page 2 of 3

for the fiscal years ending 2021 through 2025, inclusive as outlined on Schedule E.

THAT the single source award to A.J. Stone Company Ltd for Self Contained Breath Apparatus Air Cylinders in the total amount of \$48,450 (exclusive of HST) be approved as outlined on Schedule F;

THAT the Manager, Purchasing and Risk Management be authorized to execute the contract(s), as outlined by the purchasing by-law, and the Mayor and the Town Clerk be authorized to sign any required paperwork.

EXECUTVE SUMMARY

This report is being submitted to obtain Council's authorization on the various items on the attached schedules. Requests are being made as per the guidelines outlined in the Purchasing By-law No. 061-2018 and the Budget Management Policy (Policy No.113).

Also included in this report is the designation of the Town's auditor for the financial statements for the years 2021 through 2025. This award is being made based on the results of a request for proposal process and in accordance with Section 296 of the Municipal Act, 2001.

REPORT

Background

Procurement of goods and services is governed by By-law No. 061-2018. Purchasing activity is undertaken in a manner that is intended to support the Town's mandate to provide effective, responsible government and efficiently deliver services to the residents of Milton.

Discussion

Information pertaining to the recommended purchasing awards is included on the corresponding Schedules (A to F) attached.

Section 296 of the Municipal Act, 2001 requires that the municipality shall appoint an auditor licensed under the Public Accounting Act, 2004 who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit. Further, the Act states that 'An auditor of a municipality shall not be appointed for a term exceeding five years'. A request for proposal process was recently undertaken for external audit services, and based on the results of that process a recommendation is



Discussion

being made to appoint Deloitte LLP as the Town's auditor for the 2021 through 2025 year end processes.

Financial Impact

Financial impacts are outlined in detail on the attached Schedules A through F. The resulting funding adjustments are presented on Schedule A, and result in a net overall increase in approved capital budgets of \$92,530.

Respectfully submitted,

Glen Cowan
Chief Financial Officer/ Treasurer

For questions, please contact: Michelle Rasiulis, CSCMP, CPPB 905-878-7252, x2143
For questions, please contact: Deanne Peter, B.Comm., MBA 905-878-7252, x2316

Attachments

Schedule A - Reserve & Reserve Fund Transfers
Schedule B – Emergency Lease Upgrades
Schedule C – Emergency work at 3230 Steeles Avenue
Schedule D – Proposal Award for Corporate Industrial Apparel & Related Products
Schedule E – Proposal Award for External Audit Services
Schedule F - Single Source for Self Contained Breathing Apparatus Air Cylinders

CAO Approval
Andrew M. Siltala
Chief Administrative Officer

Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the HuronWendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.

Summary of Changes in Capital Project Budgets and Funding

Schedule	B	F	Total Change in Funding Sources Increase / (Decrease)
Project Number	C58112718	C70010120	
Project Description	Civic Facilities Improvements	Replace/ Refurbish Tanker Trucks	
Total Approved Project Budget	\$ 2,079,826	\$ 671,828	
Project Variance Account	93,119	(589)	92,530
Total Increase/(Decrease) in Funding	93,119	(589)	\$ 92,530
Total Revised Project Budget	\$ 2,172,945	\$ 671,239	

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
EMERGENCY CONTRACT AWARD**

Project Award	Emergency Contract Award for 555 Industrial Drive - Lease Improvements
Recommendation	Staff proceeded with the contract award for the emergency Lease Improvements to Seaforth Building Group for 555 Industrial Drive in the total amount of \$65,456 (exclusive of HST). This award is being received for information.
Purpose of Report	As per Section 11.1 of Purchasing By-law No. 061-2018, emergency expenditures shall be reported to Council for information.
Background information	<p>A new five (5) year lease agreement for 2nd floor office at 555 Industrial Drive was conditional on interior base building improvements. These improvements included a new kitchen, plumbing, electrical, flooring, millwork, ceilings, paint and window coverings, and in some cases reflected the fact that certain building elements were at the end of their useful life.</p> <p>Staff issued a limited tender for the work and awarded to Seaforth Building Group.</p> <p>Separate from the award to Seaforth noted above, the work also included the purchase of miscellaneous items and appliances. The total lease improvements are in the total amount of \$91,508 (exclusive of HST).</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C58112718
Account Description	Civic Facility Improvements
Project Total Budget	\$2,079,826
Contract Budget	\$0
Actual (Net of HST Rebate)	\$93,119
Variance	\$93,119 (U)
Funding Source	Project Variance Account

Note 1: Financial impact includes any non-refundable portion of HST.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
EMERGENCY CONTRACT AWARD**

Project Award	Emergency Contract Award for: Garda World and Edger Howden & Sons.
Recommendation	Staff proceeded with the contract award for the emergency order issued to 3230 Steeles Ave in the total amount of \$8,145 (exclusive of HST). This award is being received for information.
Purpose of Report	As per Section 11.1 of Purchasing By-law No. 061-2018, emergency expenditures shall be reported to Council for information.
Background information	<p>On June 3rd 2021 Licensing and Enforcement by-law staff were contacted by Milton Fire to attend 3230 Steeles Avenue to inspect the building located on the above noted property, due to a house fire.</p> <p>By-law staff determined that under section 15.7 of the building code act an emergency order was required to be served upon the property due to the severe damage caused by the fire and immediate threat to public safety. As a result, emergency steps were taken to secure the property and threat to the public endangerment.</p> <p>During this process the Town required security to attend and secure the property while the Contractor began to secure and remove the immediate threat to the public. The remedial work was completed by Edger Howden & Sons.</p> <p>Both Garda World and Edger Howden & Sons have existing contracts with the Town through a competitive bid process.</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	2317-3740
Account Description	Licensing & Enforcement - Contracts
Project Total Budget	NA
Contract Budget	\$0
Actual (Net of HST Rebate)	\$8,288
Variance	\$8,288 (U)
Funding Source	Operating Budget

Note 1: Financial impact includes any non-refundable portion of HST.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
PROPOSAL AWARD**

Project Award	Proposal Award No. 21-015 – Supply & Delivery of Corporate Industrial Apparel & Related Products
Recommendation	<p>Staff are recommending the award of the proposal for the Supply & Delivery of Corporate Industrial Apparel & Related Products to the highest ranked firm being Mark's Commercial, a division of Mark's Work Wearhouse Ltd. in the total annual estimated amount of \$44,936 (exclusive of HST).</p> <p>Staff are recommending delegated authority to exercise the two (2) year renewal option remaining, up to a total contact term of three (3) years with a total estimated aggregate value of \$134,808 (exclusive of HST).</p>
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for proposal awards over \$100,000.
Background information	<p>Staff undertook a second stage Request for Proposal process for Supply & Delivery of Corporate Industrial Apparel & Related Products following the Ontario Education Collaborative Marketplace (OECM) who issued a Request for Proposal Apparel and Related Products & Services #2019-335. The objective of this RFP was to select suppliers that would:</p> <ul style="list-style-type: none"> • Ensure Product/Service availability and delivery of Products/Services within the agreed lead time; • Provide high quality Customer support and account management, ensuring timely response and issue resolution; • Provide quality Products manufactured in accordance with applicable standards, demonstrating value for money; • Provide quality Services; and • Work in a cooperative manner with Customers, are flexible, and innovative in providing quality Products and Services. <p>The result of the OECM led RFP process was four (4) prequalified firms that offered corporate apparel as follows:</p> <ul style="list-style-type: none"> • Staples Business Advantage • McCarthy • Mark's Commercial • Cintas Canada Ltd. <p>All four (4) firms were invited to participate in the Town's second stage RFP process.</p>
Purchasing Section: Bid Award Information	
Date bid issued	October 1, 2021
Advertisements	Town of Milton website
Closing Date	October 21, 2021

# of Plan takers	Three (3)
Proposal Submissions received	<ol style="list-style-type: none"> 1. McCarthy 2. Mark's Commercial 3. Cintas Canada Ltd.
Evaluation Criteria	<p>The proposals were evaluated based on the following criteria:</p> <ol style="list-style-type: none"> 1. Service Level – Complete Schedule B3 – Service Level Questionnaire on the bidding system. (20 points) 2. Range of Products and Services - Ability to supply the requested items/ wide selection of industrial and corporate apparel to meet the Town's requirements. (20 points) 3. Quality of Product/Samples (fit, quality of fabric, quality of stitching, hemming, trim, buttons etc.) based on samples provided. (20 points) 4. Pricing – Complete Schedule A - Specifications & Pricing Details on the bidding system. (40 points) <p>An evaluation team with representation from Community Services, Development Services and Corporate Services evaluated the proposals against the established criteria and one (1) proponent was invited to an interview.</p> <p>Mark's Commercial, a division of Mark's Work Wearhouse Ltd. was the overall highest ranking proponent and is being recommended for this award.</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	Various
Account Description	Clothing
Project Total Budget	N/A
Contract Budget	\$44,515
Actual (Net of HST Rebate)	\$45,726
Variance (Note 2)	\$1,211 (U)
Funding Source	Operating

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: Contract actuals are an estimate only. The resulting costs will be managed by Program Area staff and reviewed with Financial Planning with any variances being reported through the Variance process.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
PROPOSAL AWARD**

Project Award	Proposal Award No. 21-089 for External Audit Services
Recommendation	<p>Staff are recommending the award of the proposal for External Audit Services to Deloitte LLP in the total amount of \$388,700 (exclusive of HST) for the Town of Milton’s annual financial statement audits for a 5 year period.</p> <p>Staff are recommending the appointment of Deloitte LLP as the external auditor for the Town and local boards for the fiscal years ending 2021 through 2025, inclusive.</p>
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required for proposal awards over \$100,000.
Background information	<p>Section 296 of the Municipal Act, 2001 requires that the municipality shall appoint an auditor licensed under the Public Accounting Act, 2004 who is responsible for annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit. Further, the Act states that “An auditor of a municipality shall not be appointed for a term exceeding five years”.</p> <p>Accordingly, staff issued a request for proposal to the market. The request for proposal encompassed the annual financial statement audits for the Town of Milton which includes the following entities:</p> <ul style="list-style-type: none"> • The Town of Milton • Milton Public Library • Downtown Business Improvement Area <p>The request for proposal also included annual statement audits for the Milton Hydro Holdings Inc., which is comprised of the following subsidiaries:</p> <ul style="list-style-type: none"> • Milton Hydro Distribution Inc. (“MHDI”) • Milton Energy and Generation Solutions Inc. (“MEGS”) • Milton Hydro Services Inc. (“MHSI”) <p>The RFP included the ability to award to separate proponents for each the Town’s audit (including Local Boards) as well as Milton Hydro’s audit (including subsidiaries), or alternatively in the award to a single proponent for both. The recommendation included herein pertains only to the Town’s portion of the audit services (including local boards). Milton Hydro will separately recommend and approve an auditor for their purposes.</p> <p>The contract shall encompass the 2021 to 2025 year-end audits. The initial term of this contract is expected to extend for a term of five (5) years, commencing in December 2021 and shall continue until mid-2026 when the 2025 audit is expected to conclude. This</p>

	term is subject to an annual confirmation process. A renewal of a future 5 year term following the 2025 year end was also contemplated in the RFP, but will be subject to a future approval of Council if utilized.
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Purchasing Section: Bid Award Information

Date bid issued	Wednesday, August 25, 2021
Advertisements	Town of Milton website
Closing Date	Wednesday, September 21, 2021
# of Plan takers	Four (4)
Proposal Submissions received	<p>Submissions were received from the following companies:</p> <ol style="list-style-type: none"> 1. KPMG LLP 2. Grant Thornton LLP 3. Deloitte LLP 4. Antares Professional Corporation

Evaluation Criteria	The proposals were evaluated based on the following criteria:				
				Weighting	
	Item	Evaluation Criteria		Town of Milton	Milton Hydro
	1	Corporate	Qualifications and Experience	10	10
	2	Audit Team	Qualifications and Experience	25	25
	3	Audit Services i.e. Methods, Work Program, Tasks and Deliverables		40	40
	4	Proposal Costs (complete Schedules A1-4, and B1-2)		25	25
		Total		100	100
5	References		Not Rated		
<p>An evaluation team with representation from Corporate Services and Milton Hydro evaluated the proposals against the established criteria and two (2) proponents were invited to interviews.</p> <p>Deloitte LLP was the overall highest ranked proponent and is being recommended for award of the Town's annual financial statement audits and KPMG LLP is being recommended for award as the highest ranked proponent for Milton Hydro's annual financial statement audits (subject to Milton Hydro Board approval).</p>					

Financial Planning Section: Budget Impact (Note 1)

Account Number(s)	2905-3630	F1515-1355-3630	9100-3630

CORS-057-21 - Schedule E

Account Description	Audit Services (Town)	Audit Services (Library)	Audit Services (DBIA)
Project Total Budget	N/A	N/A	N/A
Contract Budget	\$65,000	\$4,837	\$2,400
Actual (Net of HST Rebate)	\$65,126	\$8,140	4,070
Variance (Note 2) (Note 3)	\$126 (U)	\$3,303 (U)	1,670 (U)
Funding Source	Operating Budget		

Note 1: Financial impact includes any non-refundable portion of HST.

Note 2: Variances will be managed in accordance with the respective budget management policies and reported back to Council or the respective boards as necessary.

Note 3: Deloitte LLP will be contracted for a period of five (5) years, subject to an annual confirmation process. The total contract award for years two (2) to five (5) is \$333,111 for Town, \$41,619 for Library, and \$20,809 for DBIA.

**COUNCIL AUTHORITY FOR CONTRACT AWARDS
SINGLE SOURCE AWARD**

Project Award	Single Source award to A.J Stone Company for SCBA Air Cylinders.
Recommendation	Staff are recommending the single source award to A.J. Stone Company Ltd. for Self Contained Breathing Apparatus (SCBA) Air Cylinders in the total amount of \$54,150 (exclusive of HST).
Purpose of Report	As per Section 10.1 of Purchasing By-law No. 061-2018, Council approval is required.
Background information	<p>Milton Fire Department has been purchasing SCBA and associated equipment items through A.J. Stone Company Ltd, a distributor of MSA products as a result of a cooperative proposal process in 2019.</p> <p>The department requires additional SCBA cylinders and associated holders (brackets) to maintain operational capabilities. In addition, three (3) new Tanker Trucks were purchased for rural firefighting purposes, each capable of carrying additional firefighting equipment including SCBA cylinders.</p> <p>To ensure compatibility with the existing MSA based systems, an award to A.J. Stone Company Ltd. for the required equipment is recommended.</p>
Financial Planning Section: Budget Impact (Note 1)	
Account Number(s)	C70010120-A0410-7130
Account Description	Replace/Refurbish Tanker Trucks
Project Total Budget	\$671,828
Contract Budget	\$ 55,692
Actual (Net of HST Rebate)	\$ 55,103
Variance	\$ 589 (F)
Funding Source	Project Variance Account

Note 1: Financial impact includes any non-refundable portion of HST.