Agenda – Executive Policy Committee – May 4, 2016

REPORTS

Item No. 3 Single Source Negotiation and Award of Contract - Supply and Delivery of Daniel Defense Patrol Rifles from Wolverine Supplies Ltd.

WINNIPEG POLICE BOARD RECOMMENDATION:

1. That the Executive Policy Committee approves single source negotiations, in the amount of $149,040.00 (G.S.T. and M.R.S.T extra, as applicable) with Wolverine Supplies Ltd. for the Supply and Delivery of the Daniel Defense DDM4 Patrol Rifle.

2. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

ADMINISTRATIVE REPORT

Title: Single Source Negotiation and Award of Contract for the Supply and Delivery of Daniel Defense Patrol Rifles from Wolverine Supplies Ltd. (Materials Management Reference NO: 148-2016)

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
D. Ranger	Acting Chief Arthur G. Stannard	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That the Executive Policy Committee approves single source negotiations, in the amount of $149,040.00 (G.S.T. and M.R.S.T extra, as applicable) with Wolverine Supplies Ltd. for the Supply and Delivery of the Daniel Defense DDM4 Patrol Rifle.

2. That the proper officers of the City of Winnipeg be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Notwithstanding B4.1 of the Materials Management Policy, where based on the estimated value of the contract, the supply to the City would be subject to the Agreement on Internal Trade (AIT), approval by Executive Policy Committee is required for negotiations without the solicitation of competitive offers unless those single source negotiations would be permitted in accordance with Appendix C or Appendix D of Annex 502.4 of the AIT. The AIT threshold for a good or service is $100,000.00. There appears to be no applicable provisions in Appendix C or Appendix D in the AIT.

On April 1, 2016, the Winnipeg Police Board recommended to the Executive Policy Committee that a Single Source Negotiation and Award of Contract for the supply and delivery of Daniel Defense patrol Riffles from Wolverine Supplies Ltd., be approved in accordance with the City of Winnipeg's Materials Management Policy.

EXECUTIVE SUMMARY

The Winnipeg Police Service determined the need to purchase patrol rifles to expand its patrol rifle program. The Service conducted evaluation testing on several brands of patrol rifles and determined the Daniel Defense DDM4 to be the most effective weapons systems appropriate for use in Winnipeg.

The Winnipeg Police Board concurred with the Winnipeg Police Service to purchase patrol rifles.

IMPLICATIONS OF THE RECOMMENDATIONS

Subject to the approval of Recommendation 1, the Chief Financial Officer will be requested to approve the award of contact for the Supply and Delivery of Daniel Defense Patrol Rifles, in the amount of $149,040.00, with Wolverine Supplies Ltd.

HISTORY

The Winnipeg Police Service conducted evaluation testing on several different brands of patrol rifles to determine the most appropriate system for use in Winnipeg. The environment of policing in Winnipeg, and cost effectiveness were among the considerations in the testing.

Rifles tested included brands less expensive than the Daniel Defense DDM4, however these rifles were excluded from final selection due to mechanical failure; this included regular jamming, safety lock failure, and other mechanical and ergonomic problems with the weapons during operational testing by weapons specialists.

Out of the final selection group, it was determined that the Daniel Defense DDM4 Patrol Rifle weapons system was a far superior choice than the other rifles tested. The cost of the Daniel Defense DDM4 patrol rifles weapons system is within fair market value, and includes a law enforcement pricing model that is less than retail pricing.

Daniel Defense Patrol Rifles U.S. office confirms that Wolverine Supplies Ltd. are the only authorized distributor of the Daniel Defense Patrol Rifles for Canada.

Materials Management undertook a review of the process undertaken by the Winnipeg Police Service and found the following:

- On October 31, 2014, the City issued Request for Proposal (RFP) number 1014-2014 to the City's Materials Management website.
- On November 21, 2014, 8 proposals were received from 5 bidders.

After the evaluation of the proposed rifles, the most advantageous offer was received from Wolverine Canada for the Daniel Defense Patrol Rifle.

As funds were not available at this time, a contract resulting from this RFP was not awarded.

Since that time, the Winnipeg Police Service tested a few other patrol rifles, which results were also reviewed by the Manager of Materials. The Daniel Defense Patrol Rifle was again determined to be the best value.

Based on the above information, the Manager of Materials agrees that the Winnipeg Police Service performed due diligence in soliciting bids and evaluating the proposals and conclude that the B4.1 (e) of the Materials Management Policy is applicable to this purchase.

It is in the best interest of the City that an award be made to the Bidder who submitted the most advantageous offer as a result of that publicly tendered RFP.

It is in the opinion of the Winnipeg Police Service that the proposed contractor has the skills and resources to satisfactorily complete the work and therefore recommends that a contract be awarded to Wolverine Supplies Ltd., as a single source.

With respect to a cost/benefit analysis, considering the value of the proposed contract and that testing on different patrol rifles indicated the Daniel Defense DDM4 Patrol Rifle was a superior choice over other rifles tested, the cost of a competitive procurement is expected to exceed the benefits of such procurement (4.1 (e) of the Materials Management Policy).

The Winnipeg Police Service should not require additional Patrol Rifles over the next few years other than replacement of damaged/inoperable rifles.

On April 1, 2016, the Winnipeg Police Board recommended to the Executive Policy Committee that a Single Source Negotiation and Award of Contract for the supply and delivery of Daniel Defense patrol Riffles from Wolverine Supplies Ltd., be approved in accordance with the City of Winnipeg's Materials Management Policy.

Additional Risk Considerations

There is some risk that there could be a complaint pursuant to the Agreement on Internal Trade, because the proposed contract with Wolverine Supplies Ltd. will be awarded without a public bid solicitation. The risk may be low because of the value of the proposed contract award and the fact that there was a public bid solicitation in 2014 which was a determining factor in the rifle chosen.

FINANCIAL IMPACT

Financial Impact Statement

Date: February 24, 2016

Project Name:

First Year of Program 2016

SINGLE SOURCE NEGOTIATION AND AWARD OF CONTRACT FOR THE SUPPLY AND DELIVERY OF DANIEL DEFENSE PATROL RIFLES FROM WOLVERINE
SUPPLIES LTD. Materials Management Reference NO: 148-2016

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 149,040	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 149,040	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	149,040	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Budgeted in account 001-541040-221001-999

original signed by Ron Smolik Feb 24/16
Manager of Finance
Winnipeg Police Service

CONSULATATION

Legal Services (as to Legal issues)

Materials Management

Winnipeg Police Board

OURWINNIPEG POLICY ALIGNMENT

01-2(a) Collaborate to Make Safe Communities

"Introduce specialized tools to provide criminal deterrence, enhance proactive policing capabilities and mitigate the liabilities associated with high-risk situations."

01-2 Safety and Security

"Ensure that emergency preparedness, response and recovery support and services are available."

[Also referenced in the Winnipeg Police Service Risk/Mitigation Register – Item 7, Operational Response: "Acquire critical equipment to increase our high-risk incident response capabilities."]

SUBMITTED BY

Department: Winnipeg Police Service

Division: Quartermaster Stores

Prepared by: D.Ranger

Date: April 29, 2016