

Sole Source Contract with the Royal Lifesaving Society

Date:	June 17, 2009
To:	Government Management Committee
From:	General Manager, Parks, Forestry and Recreation Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:/2009/Internal Services/pmmd/gm09017pmmd (AFS#9946)

SUMMARY

This report requests that City Council grant authority for the issuance of a Sole Source Contract with the Royal Lifesaving Society (the Society) for the supply of Aquatic Lifesaving Program Affiliation and Licensing Fees, Candidate Exam and Certification Fees and the Supply of Course Materials for a five year period effective August 1, 2009.

This report also advises the Government Management Committee of an overspent, expired contract with the Royal Lifesaving Society for Leadership Management Services that provides trainers to deliver the City's Aquatic Lifesaving Programs.

RECOMMENDATIONS

The General Manager of Parks, Forestry and Recreation and the Director, Purchasing and Materials Management recommend that:

1. City Council grant authority for the issuance of a sole source contract with the Royal Lifesaving Society for Aquatic Lifesaving Program Affiliation and Licensing Fees, Candidate Exam and Certification Fees and the Supply of Course Materials in the total amount of \$3,372,474.00 net of GST for a five-year period, effective August 1, 2009.

Financial Impact

The total potential contract award identified in this report is \$3,445,919.00 including all applicable taxes and charges. The total potential cost to the City net of GST is \$3,372,474.00, effective August 1, 2009. Funding for the 2009 fees in the amount of \$309,285.00 net of GST is available in various Cost Centres within the Parks, Forestry and Recreation's 2009 Operating Budget in cost elements 4199 (services such as certification fees) and 2013 (materials such as training manuals). Small increases are projected in 2010 through 2014 representing an estimated annual increase of 0.65% in exam/certification fees and 1.5% increase in materials costs. These estimated increases are based on the increases applied over the past 5 years for the same services and products. These increases will be absorbed within the Parks, Forestry and Recreation future years' operating budgets and partially offset by the anticipated increases in recreation program registration fees.

Annual funding details (net of GST) are provided in the table below:

Account	2009 Aug 1 to Dec 31	2010	2011	2012	2013	2014 Jan 1 to July 31	Total
Various	\$309,285	\$662,749	\$669,244	\$675,817	\$682,470	\$372,909	\$3,372,474

No funding is being requested or required for the overspending in contract No. 47006089 which expired December 31, 2004. All invoices have been paid and over expenditures were absorbed within the Parks, Forestry and Recreation operating budget. Non-contract invoices from the same vendor were incorrectly applied to the contract which resulted in over expenditure while non-contract accounts were under spent.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

ISSUE BACKGROUND

The Royal Lifesaving Society is the sole supplier in the Province of Ontario of the following two products and services that are required by Parks, Forestry and Recreation to offer their Aquatic Lifesaving Programs:

- A) Aquatic Lifesaving Program Affiliation and Licensing Fees, Candidate Exam and Certification Fees and the Supply of Course Materials (Fees, Exams and Material).

- B) Leadership Management Services for the provision of trainers to deliver the City's Aquatic Lifesaving Programs.

The following is background information regarding the City's contracts for each of the above.

A) Sole Source Contract – Fees, Exams and Materials

Parks Forestry and Recreation offers a full menu of aquatic lifesaving programs, including Bronze Medallion, Bronze Cross, Lifesaving Instructor, National Lifeguard Service, as well as lead-up programs such as Rookie, Ranger, Star Patrol and Junior Lifeguard. These programs are offered to the public across Toronto at 122 CLASS A swimming pools. These pools and programs are supervised by City staff who are certified by the Royal Lifesaving Society.

The Royal Lifesaving Society is the sole supplier of these aquatic lifesaving programs and materials in the Province of Ontario. The Society began developing aquatic lifesaving programs in 1908. Toronto and municipalities across Ontario have been training its residents in the Society's lifesaving and life guarding programs for 100 years.

The Parks, Forestry and Recreation Division relies on the services of the Society for the supply of aquatic lifesaving programs and materials. These programs are advertised to the public through the Fun Guide, as well as the Aquatic Leadership brochure. The Royal Lifesaving Society is the certifying agency for aquatic staff working in public pools and waterfronts in Ontario.

Parks, Forestry and Recreation purchases course materials and pays candidate fees for only those program participants who have registered in the aquatic programs and paid registration fees. Course materials and candidate fees are recovered in the revenue generated through aquatic lifesaving program registration. The Division cannot be over-charged by the Society for more exam and certification fees than those participating in its programs as these invoices are created from participant test sheets completed by the Division.

Since the aquatic lifesaving program affiliation and licensing fees, candidate exam and certification fees and course materials are a critical part of the Parks, Forestry and Recreation's Aquatic Lifesaving Program, and there is no other source of supply, a sole source purchase order, expiring August 31, 2009, in the total amount of \$272,000.000 net of GST, has been issued to the Royal Lifesaving Society.

To continue to provide the Aquatic Lifesaving Programs to the public which are dependent upon the program affiliation and licensing fees, candidate exam and certification fees and course materials offered by the only supplier, The Royal Lifesaving Society, Park, Forestry and Recreation are requesting a sole source purchase in the amount of \$3,372,474.00 net of G.S.T. for a five year period, effective August 1, 2009.

B) Over Spent Contract – Leadership Management Services

In addition to the lifesaving programs, licensing fees and course material outlined above, the Society also provides Leadership Management Services and currently has a contract with the City to provide said services, as a result of a Request for Proposal, for the period ending December 31, 2010. The services provided within the Leadership Management Services contract are separate and distinct from the fees, exams and materials described within the proposed sole source contract. Leadership Management Services include the Society contracting trainers to deliver the city's Aquatic Leadership Programs. Candidates are properly trained and achieve certifications in programs such as National Lifeguard Service, Swim Instructor and Wading Pool Attendant. This ultimately provides qualified staff supervising City and local aquatic programs.

Prior to the current contract, the Royal Lifesaving Society was awarded contract No. 47006089 on a sole source basis for the supply of Leadership Management Services in the amount of \$675,000.00 net GST for the period ending December 31, 2004 as they were the only supplier of this program at that time. Staff posted \$899,845.05 in non-contract invoices (for services and materials such as Lifesaving manuals and certification fees) to the contract which resulted in the contract being overspent by \$772,740.61 net of GST to a total contract amount of \$1,447,740.61 net of GST. All invoices have been paid and all the money applied to this contract was available in the Parks, Forestry and Recreation operating budgets. Non-contract invoices from the same vendor were incorrectly applied to the contract, resulting in the contract being overspent. As a result, non-contract accounts were underspent. The contract was closed on December 31, 2004, and no additional purchases were charged against this contract. The purpose of reporting this over expenditure at this time is to advise the Government Management Committee of the over expenditure.

COMMENTS

The Royal Lifesaving Society has provided written confirmation that they are the sole supplier of these Aquatic Lifesaving Programs and Materials in the Province of Ontario.

Royal Lifesaving Society materials, candidate fees, affiliation and license fees are posted on their web site. Parks, Forestry and Recreation staff has verified that these fees are consistent with the fees charged to the City of Toronto and other large municipal Recreation Divisions in Ontario.

Since contract No. 47006089 for Leadership Management Services was overspent, Parks, Forestry and Recreation staff has established contract management protocols to amend contracts in accordance with Purchasing Procedures and the Purchasing By-law in a timely manner to avoid overspent contracts in the future.

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