



STAFF REPORT ACTION REQUIRED

Purchase Order Amendment to Contract 47012097, Request for Quotation (RFQ) 6032-06-0194 – Winter Maintenance at various Toronto Fire Services Division Locations

Date:	March 17, 2009
To:	Public Works and Infrastructure Committee
From:	Fire Chief and General Manager, Fire Services Acting Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:/2009/Internal Services/pmmd/pw09005pmmd (AFS 9659)

SUMMARY

The purpose of this report is to request authority to increase the value and to report on the over expenditure against Contract 47012097 for Winter Maintenance at various Toronto Fire Services locations.

The City of Toronto Municipal Code Chapter 71-11.1.C. (Financial Control By-law), requires that if costs for a commitment exceed the original funding by more than 10 percent and \$500,000.00, approval must be obtained from Standing Committee. As such, ratification of this contract amendment is required by the Public Works and Infrastructure Committee. The amendments are primarily required due to increased snow maintenance expenditure over the past two years.

RECOMMENDATIONS

The Fire Chief and General Manager of Fire Services and the Acting Director of Purchasing and Materials Management Division recommend that the Public Works and Infrastructure Committee grant authority to:

1. Increase Contract 47012097 to Lima Gardens & Construction Inc. for Winter Maintenance at various Toronto Fire Services Division locations for the period ending April 15, 2009 by a total estimated amount of \$668,000.00 net of GST

from \$1,958,615.00 net of GST to \$2,626,615.00 net of GST and that the appropriate officials be authorized and directed to take the necessary action to give effect thereto.

FINANCIAL IMPACT

There is no financial impact beyond what has already been approved in the 2009 Fire Services Interim Operating Budget under Cost Centre FR0017, Cost Element 4413. The total value of the contract from November 15, 2006 to April 15, 2009 net of GST is \$1,958,615 and requires an increase of \$668,000 net of GST for a revised total contract value of \$2,626,615 net of GST.

Funds required are as follows, net of GST:

(a) Current Value of contract from November 15, 2006 to April 15, 2009	\$ 1,958,615
(b) Year to date cost of contract as of February 26, 2009	\$ 1,940,296
(c) Balance of contract as of February 26, 2009	\$ 18,319
(d) Outstanding invoice dated Jan. 31, 2009 and Feb. 28, 2009	\$ 415,896
(e) Estimated funds required March 1, 2009 to April 15, 2009	\$ 252,104
(f) Total Funds Required	\$ 668,000
(g) Revised Value of contract from November 15, 2006 to April 15, 2009	\$ 2,626,615

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

DECISION HISTORY

Contract No. 47012097 – Lima Gardens & Construction Inc.

The report found at:

<http://www.toronto.ca/legdocs/2006/agendas/committees/bc/bc061213/bcdd.pdf> provided the Bid Committee approval for the issuance of this contract to Lima Gardens & Construction Inc., being the lowest bidder on a Request for Quotation (RFQ) for the supply and delivery of all labour, materials and equipment required to provide Winter Maintenance at various locations of the Toronto Fire Services Division as and when required, for the period from the date of award to April 15, 2007, with the option to renew the contract for an additional two (2) separate one (1) year periods.

COMMENTS

Snow removal and dumping (loading excessively large amounts of snow from ploughed facilities) has increased as a result of snowfalls. The extreme snow storms of the past two years have increased Fire Services' snow maintenance expenditure, which are based on a fixed unit price as requested in the RFQ. Frequent snow removal is necessary to ensure unobstructed vision when exiting the fire stations, to avoid damaging adjacent private properties, and to ensure the egress of the fire apparatus.

The impact is that Fire Services' winter maintenance contract is over spent due to the extreme high volume of snowfall accumulation and resultant snow removal activity which ensued.

The commitments and payments being made in excess of the current contract limit were under the authority of the Purchasing By-law, Section 195 –10F, in order to maintain essential City services; and this report is in compliance with the requirement to report the contract variance to the Public Works and Infrastructure Committee, as per Section 71.11.1.C, of the Financial Control By-law.

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SIGNATURE

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