



## STAFF REPORT ACTION REQUIRED

### Training of Ten Firefighters for Qatar

<b>Date:</b>	February 1, 2010
<b>To:</b>	Community Development and Recreation Committee
<b>From:</b>	Fire Chief and General Manager, Toronto Fire Services Director, Purchasing and Materials Management
<b>Wards:</b>	All
<b>Reference Number:</b>	p:\2010\ClusterB\FIR\cd1003.doc

#### SUMMARY

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The purpose of this report is to request Council approval for Toronto Fire Services (TFS) to enter into an agreement with the State of Qatar to provide enhanced firefighter training to 10 selected staff of the Directorate General of Civil Defence, Ministry of the Interior. The training program would take place over 3 years (2010-2012) and involve 43 training components, each of which will be provided directly by TFS or Maddess Consulting, an agency affiliated with Qatar.

If approved, TFS will enter into agreements with Qatar and Maddess Consulting. Maddess Consulting has a direct working relationship with the Qataris providing expertise in a training regimen required by the Qataris and this agreement will provide an opportunity for TFS to foster a relationship with Qatar.

If this training program is a success, it may lead to further training of 300 firefighter recruits and additional revenues for the City.

The overall program, should this proposal be acceptable to the State of Qatar, will generate \$1,822,755.00 in gross revenues with net revenues to the City of \$402,816.00. Under the agreement, payment to the City will be received from Qatar prior to any obligations of the City to commence training components.

## **RECOMMENDATIONS**

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### **The Fire Chief and General Manager, Toronto Fire Services and the Director, Purchasing and Materials Management, recommend that:**

1. City Council approve a three year, 2010 – 2012, Toronto Firefighter Training Program for Qatari firefighters and the Fire Chief and General Manager, Toronto Fire Services be authorized to enter into all necessary agreements with the State of Qatar and Maddess Consulting to provide such program on terms and conditions as approved by the Fire Chief and General Manager and in a form acceptable to the City Solicitor; and
2. City Council authorize the Fire Chief to receive six scheduled payments totalling \$1,614,961.00 (net of GST/HST) from Qatar for the services provided as per the agreement, and
3. City Council authorize the issuance of a Blanket Contract to Maddess Consulting in the amount of \$723,295.00 (net of GST/HST) to allow six scheduled payments at stipulated times over the three-year period of the agreement, and
4. Should this proposal be acceptable to the State of Qatar, then the 2010 Operating Budget Submission for Fire Services be adjusted to include total revenues from Qatar of \$557,763.00 (net of GST/HST), offset by payments of \$251,051.00 (net of GST/HST) to Maddess Consulting resulting in a net budget reduction of \$306,712.00 (net of GST/HST recovery) and that the Operating Budget Submissions for 2011 and 2012 include scheduled revenue and expenditures as outlined in the contracts with the State of Qatar and Maddess Consulting as summarized in the Financial Impact Statement.

### **Financial Impact**

The total potential revenue resulting from this agreement is \$1,822,755.00 million including all applicable taxes and charges. After provision for payments to Maddess Consulting Services Inc. the total revenue to the City net of GST/HST is \$402,816.00.

The City's financial obligations in the proposed agreement involve direct currently unbudgeted labour costs as well as allocated costs already budgeted for materials and supplies, and facilities maintenance. The revenue is scheduled to be received from Qatar in six fixed payments over three years as outlined in the table below and in advance of any City expenditures. The outlays include the payments to Maddess Consulting under its agreement with the City and Fire Services direct costs not included in current operating budget provisions. The net revenue contribution totals \$402,816.000 over the three years.

<b>Pay-ment</b>	<b>Criteria</b>	<b>Qatar Revenue</b>	<b>Payments to Maddess</b>	<b>Project Costs</b>	<b>Net City Revenue</b>
1	10 days prior to the start of the 1st program year	346,323.00	177,286.00	0.00	169,037.00
2	10 days prior to 5.25 months into the 1st program year	211,440.00	73,765.00	0.00	137,675.00
	<b>Sub-total Year 1 (Net of GST/HST)</b>	<b>557,763.00</b>	<b>251,051.00</b>	<b>0.00</b>	<b>306,712.00</b>
3	10 days prior to the start of the 2nd program year	317,159.00	141,673.00	236,730.00	(61,244.00)
4	10 days prior to 5.25 months into the 2nd program year	211,440.00	94,449.00	157,820.00	(40,829.00)
	<b>Sub-total Year 2 (Net of GST/HST)</b>	<b>528,599.00</b>	<b>236,122.00</b>	<b>394,550.00</b>	<b>(102,073.00)</b>
5	10 days prior to the start of the 3rd program year	317,159.00	141,673.00	56,580.00	118,906.00
6	10 days prior to 5.25 months into the 3rd program year	211,440.00	94,449.00	37,720.00	79,271.00
	<b>Sub-total Year 3 (Net of GST/HST)</b>	<b>528,599.00</b>	<b>236,122.00</b>	<b>94,300.00</b>	<b>198,177.00</b>
	<b>Three Year Total (Net of GST/HST)</b>	<b>1,614,961.00</b>	<b>723,295.00</b>	<b>488,850.00</b>	<b>402,816.00</b>

Fire Services will provide a new cost centre to track all costs and revenue separately from existing accounts.

The 2010 Operating Budget Submission for Fire Services be adjusted to include total revenues from Qatar of \$557,763.00 (net of GST/HST), offset by payments of \$251,051.00 (net of GST/HST) to Maddess Consulting resulting in a net budget reduction of \$306,712.00 (net of GST/HST recovery) and that the Operating Budget Submissions for 2011 and 2012 will include scheduled revenue and expenditures as outlined in the contracts with the State of Qatar and Maddess Consulting and summarized in the table above.

There are 43 separate training modules that are delivered by either Maddess Consulting or TFS. Toronto Fire Services' direct contribution towards this project involves increased overtime costs for Training Captains to both train and develop course material; those unbudgeted costs are estimated in the contract agreement to be \$409,500.00 for training and \$29,350.00 for course development. Additionally, TFS provided for \$50,000.00 in estimated costs for materials and supplies such as fuel for burn simulators and for uniforms and books for recruits. These direct unbudgeted costs for TFS total \$488,850.00 over the three years. As well, the contract with Qatar provides for the use of classroom and training facilities that are already provided for in the TFS Operating budget.

The contract payments from Qatar at this point are GST/HST inclusive; however, the City is in the process of seeking a ruling under section 18 of Part V (Exports) of Schedule VI (Zero-rated supplies) that exempts training programs to non-resident individuals

requiring examination in respect of courses leading to diplomas. Should the City be granted a zero-rating for GST for the supply of training services to Qatar, the net revenue would increase by \$207,794.00. Subsequent budgets would reflect the change.

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

## **DECISION HISTORY**

At its meeting on July 24, 25 and 26, 2001, Council adopted the recommendations contained in Community Services Committee Report 8, Clause 2, authorizing the Fire Chief to undertake a three-year pilot project designed to actively market the Toronto Firefighter Training Programs at the local, provincial, national and international level.

<http://www.toronto.ca/legdocs/2001/agendas/council/cc010724/cms8rpt/cl002.pdf>

At its meeting held on May 18, 19 and 20, 2004, Council adopted the recommendations contained in Community Services Committee Report 3, Clause 3, authorizing TFS to actively market the Toronto Firefighting Training Programs at the international level.

<http://www.toronto.ca/legdocs/2004/agendas/council/cc040518/cms3rpt/cl003.pdf>

At its meeting on February 1, 2 and 3, 2005, Council adopted the recommendations contained in Community Services Committee Report 3, Clause 3, authorizing TFS to establish training programs, certification of some modules for training and a permanent business practice to peruse international groups if the opportunity arises.

<http://www.toronto.ca/legdocs/2005/agendas/council/cc050201/cms1rpt/cl001.pdf>

## **ISSUE BACKGROUND**

In 1998, TFS completed a training contract with the Dubai Civil Defense Authority for the training of twelve recruits.

## **COMMENTS**

This agreement with Qatar will provide Toronto Fire Services with an opportunity for an international training program that will act as a pilot project and may lead to new and potential training opportunities with Qatar and other countries in the Middle East region. However, Fire Services has been informed that, as a result of the Qatari budgetary controls and processes, the authority of the responsible Qatari ministry to approve the expenditure related to the proposed Toronto Firefighter Training program for Qatari firefighters cannot be confirmed at this time to provide the ministry with the authority to

enter into the proposed Firefighter Training Program with the City after February 10, 2010. This agreement may also lead to additional revenue sources for the City in the future.

Under the proposed agreement with Qatar, TFS is responsible for delivering a number of training modules. The largest component of which is the processing of all candidates through a full modified recruit class. Other modules include rescue training on a number of fire apparatus in varied situations (high angle rope rescue, structural collapse, trench rescue, etc.). The Qatari candidates will also have station placements, a unique training experience only TFS can provide.

The scheduling of courses provides for little involvement by TFS in 2010 as the candidates will take English courses. TFS will concentrate on finalizing the training schedule by management staff during this period. TFS staff, resources and facilities will be utilized in the second and third years of the program.

The City requires the services of Maddess Consulting due to its direct working relationship with Qatar over the past ten years. Maddess Consulting provided this opportunity for TFS to participate in this training program with Qatar. Currently Qatar trains staff in London, England and Singapore. Maddess Consulting has a unique relationship with Qatar and has expertise in the training regimen required by the Qataris.

Maddess Consulting designed the three-year program with Qatar Civil Defense and sought out Toronto Fire Services to provide its expertise for the major training components of the program. Maddess Consulting will directly provide its expertise and instruction in the areas of Safety Orientation Protocols, Advanced Fire Science, Emergency Management, Standards Compliance, Marine and Aircraft Firefighting and other related subjects. It will be responsible for student accommodation and provide guardianship as necessary for the participants. It will also facilitate the initial requirement of providing the students with English as a Second Language training in the first year of the program.

It is significant to note that TFS Training Programs are accredited by the Endorsement Review Board of the Professional Standards Setting Body of the Joint Ontario Fire Marshal/Ontario Association of Fire Chiefs. This board is responsible for developing training programs, an educational system and a certification system for the Ontario Fire Service.

The training and work placement services will occur over a three-year period, for which the City will receive advance payments, 15 days prior to the start of, and at the 5 month mark for each program year. In the agreement with Qatar, Maddess Consulting will be entitled to receive payment after such time as the City has received its payment.

The agreements with Qatar and Maddess Consulting are designed to protect the City's interests, reduce risk and ensure that the obligations under the agreement are concluded successfully.

Toronto Fire Services will continue working with the Toronto Partnership Office to develop future projects that will enhance any potential training programs.

## **CONTACT**

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