



**STAFF REPORT
ACTION REQUIRED**

Amending Agreement with UAP Inc. for On Site Parts and Inventory Management Program for Toronto Emergency Medical Services and Toronto Fire Services

Date:	January 28, 2013
To:	Government Management Committee
From:	Chief and General Manager, Emergency Medical Services Fire Chief and General Manager, Toronto Fire Services Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:\2013\Internal Services\pmmmd\gm13002pmmmd (AFS16968)

SUMMARY

This report requests authority to enter into an amending agreement with UAP Inc., to amend the scope of work of the existing contract awarded to UAP Inc., arising from RFP 6101-11-3241 (the "UAP-Agreement"). The amending agreement will add the provision of an on-site parts and inventory management program for both Toronto Fire Services (TFS) in the amount of \$566,449.73 net of HST recoveries, (\$629,017.49 including all applicable taxes and charges), and for Toronto Emergency Medical Services (EMS) in the amount of \$3,875,630.17 net of HST Recoveries, (\$4,303,716.68 including all applicable taxes and charges) each for a period of four (4) years.

RECOMMENDATIONS

The Chief and General Manager, Emergency Medical Services, the Fire Chief and General Manager, Toronto Fire Services, and the Director of Purchasing and Materials Management recommend that:

1. City Council grant authority for the Chief and General Manager, Emergency Medical Services and the Fire Chief and General Manager, Toronto Fire Services to negotiate and enter into an amending agreement to the existing contract awarded to UAP Inc. arising from RFP 6101-11-3241 (the "UAP-Agreement") to add the provision of an on- site parts and inventory management program for:

- a. EMS in the amount of \$3,875,630.17 net of HST Recoveries (\$4,303,716.68 including all applicable taxes and charges); and
- b. TFS in the amount of \$566,449.73 net of HST recoveries, (\$629,017.49 including all applicable taxes and charges),

for a period of four (4) years commencing July 1, 2013 to June 30, 2017 in a form satisfactory to the City Solicitor, bringing the total contract value to \$29,500,232.44 net of HST Recoveries.

Financial Impact

Toronto Emergency Medical Services

The total contract award identified in this report for EMS is \$4,303,716.68 including all applicable taxes and charges. The total cost to the City is \$3,875,630.17 net of HST recoveries. Funding is available in cost elements 2130 and 2135, cost centres B41100 and B41119 in 2013 Approved Operating Budget for EMS. Appropriate additional funding will be requested in the 2014-2017 Operating Budget Submissions for EMS.

The estimated total cost to the City for EMS (net of HST recoveries) is as follows:

Div	Account	01-July-13 to 31-Dec-13	01-Jan-14 to 31-Dec-14	01-Jan-15 to 31-Dec-15	01-Jan-16 to 31-Dec-16	01-Jan-17 to 30-June-17	Grand Total (Net of HST Recoveries)
EMS	B41100 B41119	\$438,630.27	\$921,123.57	\$967,179.75	\$1,015,538.74	\$533,157.84	\$3,875,630.17

Toronto Fire Services

The total contract award identified in this report for TFS is \$629,017.49 including all applicable taxes and charges. The total cost to the City is \$566,449.73 net of HST recoveries. Funding is available in cost element 2120, cost centre FR0025 in 2013 Approved Operating Budget for TFS. Appropriate additional funding will be requested in the 2014-2017 Operating Budget Submissions for TFS.

The estimated total potential cost to the City for TFS (net of HST recoveries) is as follows:

Div	Account	01-July-13 to 31-Dec-13	01-Jan-14 to 31-Dec-14	01-Jan-15 to 31-Dec-15	01-Jan-16 to 31-Dec-16	01-Jan-17 to 30-June-17	Grand Total (Net of HST Recoveries)
TFS	FR0025	\$64,108.80	\$134,628.48	\$141,359.90	\$148,427.90	\$77,924.65	\$566,449.73

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

DECISION HISTORY

At Government Management Committee meeting dated May 9, 2012, the Government Management Committee adopted GM14.10 from the Director, Fleet Services, and Acting Director, Purchasing and Materials Management, on Contract Award - RFP 6101-11-3241 for the Provision of On Site Fleet Parts and Inventory Management Program, pursuant to delegated authority under Chapter 195, Purchasing.

(<http://www.toronto.ca/legdocs/mmis/2012/gm/bgrd/backgroundfile-46451.pdf>)

(January 30, 2012) Attachment 1 - Fairness Consultant Report

(<http://www.toronto.ca/legdocs/mmis/2012/gm/bgrd/backgroundfile-46452.pdf>)

At the same Government Management Committee meeting, the Government Management Committee also considered GM14.10A, a supplementary report from the Director, Fleet Services, and Acting Director, Purchasing and Materials Management:

(<http://www.toronto.ca/legdocs/mmis/2012/gm/bgrd/backgroundfile-47097.pdf>)

ISSUE BACKGROUND

Purchasing and Materials Management (PMMD) issued a Request for Proposal (RFP) No.6101-11-3241 (the "Parts RFP") in an effort to obtain the services of a qualified proponent, experienced in the implementation of parts distribution and inventory management to allow Fleet Services to cease carrying out the acquiring, moving, and management of parts. Government Management Committee, at its meeting of May 24, 2012, granted authority for Fleet Services to enter into the UAP-Agreement for the provision of on-site fleet parts and inventory management program for a period of five (5) years for a total contract value of \$25,058,152.54 net of HST recoveries. The UAP-Agreement has allowed Fleet Services to focus on the provision of vehicle options, and maintenance services, for the specific City Divisions where Fleet Services is responsible for the provision and maintenance of vehicles and equipment.

COMMENTS

The Parts RFP provided the right for the City to add City Divisions including any Agency, Board or Commission, to the scope of work during the term of any resulting agreement from the Parts RFP. The February 7, 2012, Report from the Director, Fleet Services, and Acting Director, PMMD, noted the possibility of further contracts for other division specific fleet operations such as TFS and EMS. In order to allow other Divisions the ability to be added to the UAP Agreement, further authority is required from City Council in order to be able to amend the UAP-Agreement. UAP Inc., currently provides Fleet Services with UAP Inc., staff that manages the acquisition of parts, parts distribution and inventory management, needed to maintain the fleet as per the scope of the Parts RFP. Unlike Fleet Services, TFS and EMS do not require UAP Inc. to provide dedicated staff; inventory management responsibilities for EMS are assigned to a Materials Management Clerk 2 position (1.25 FTE, CUPE Local 416) and TFS oversight

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of this function is provided by an onsite Supervisor. EMS and TFS requirements are for inventory management services and acquisition of parts on a consignment basis whereby UAP Inc. retains ownership of onsite inventory of parts until parts are issued against a work order or released from inventory. Pricing offered for parts is in accordance with the response to the Parts RFP from UAP Inc. Accordingly, staff are requesting authority to enter into an amending agreement UAP Inc., to provide an on-site parts and inventory management program for the vehicles under the responsibility of EMS in the additional amount of \$3,875,630.17, net of HST recoveries; and for the vehicles under the responsibility of TFS in the additional amount of \$566,449.73, net of HST recoveries; for a period of four (4) years.

The proposed contract with UAP Inc. for both EMS and TFS is not exclusive; both divisions currently have provisions in place for the procurement of specialized OEM parts from specialty vehicle conversions and/or manufacturers, such as emergency lights and sirens, communications/radio and medical equipment brackets, ambulance and fire truck conversion parts, unique electrical components and power inverters, etc.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trade's requirements and has agreed to comply fully.

CONTACT

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SIGNATURE

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