



**STAFF REPORT
ACTION REQUIRED**

Over Expenditure - Contract No. 47015041 – Removal and Disposal of Waste from Private and Public Properties

Date:	May 10, 2013
To:	Licensing and Standards Committee
From:	Executive Director, Municipal Licensing and Standards Director, Purchasing and Materials Management
Wards:	All
Reference Number:	P:\2013\Cluster B\MLS\LS13011

SUMMARY

The purpose of this report is to advise on the over expenditures of Contract 47015041 awarded to Stan Johnson and Son Mtce. (the "Vendor") for the supply of skilled labour, tools and equipment, materials, supplies, insurance, transportation, fuel and any and all other incidentals necessary for the collection, removal and disposal of garbage, junk, litter and debris from various private and public properties as authorized by the Municipal Licensing and Standards Division.

The City of Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11.1 requires that if costs for a commitment exceed the original funding by more than \$500,000.00 excluding all taxes, approval must be obtained from the appropriate Standing Committee. Overspending in the amount of \$30,161.12 resulted in the commitment exceeding the \$500,000.00 threshold. Contract 47015041, which expired at the end of 2011, has been reconciled to reflect the actual spending and the Vendor has been paid.

Expenditures for work completed under this contract were recovered by applying the costs to the applicable property tax roll as authorized in Toronto Municipal Code, Chapter 548, Litter and Dumping of Refuse and in Toronto Municipal Code, Chapter 629, Property Standards.

RECOMMENDATIONS

The Executive Director, Municipal Licensing and Standards and the Director, Purchasing and Materials Management recommend that:

1. Licensing and Standards Committee receive this report for information.

Financial Impact

The increased amount for the supply of skilled labour, tools and equipment, materials, supplies, insurance, transportation, fuel and any and all other incidentals necessary for the collection, removal and disposal of garbage, junk, litter and debris from various private and public properties is as follows:

Contract 47015041	
(a) Original Contract Amount	\$ 317,500.00
(b) Contract Amendment #1 – January 20, 2011	\$ 300,000.00
(c) Contract Amendment #2 – August 9, 2011	\$ 200,000.00
Total Revised Contract Amount (including Amendments 1&2)	\$ 817,500.00
(d) Over Expenditure of Funds	\$ 30,161.12
(e) Revised Contract Value (including the over-expenditure)	\$ 847,661.12

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

DECISION HISTORY

A Request for Quotation (RFQ) 6033-09-3198 was issued for the supply of all skilled labour, tools and equipment, materials, supplies, insurance, transportation, fuel and any and all other incidentals necessary for the collection, removal and disposal of garbage, junk, litter and debris from various private and public properties. As a result of this RFQ, Stan Johnson and Son Mtce. was awarded Contract 47015041 from the date of award to December 31, 2011.

ISSUE BACKGROUND

Municipal Licensing and Standards enforces Toronto Municipal Code, Chapter 548, Litter and Dumping of Refuse and Chapter 629, Property Standards. Both Chapters require property owners to keep their properties clear of litter and debris. Failure to comply with a notice or order results in the City of Toronto undertaking the cleanup of the property. The service was obtained through a competitive bid process. Costs associated with the cleanup of the property are to be added to the applicable property tax roll as authorized by Chapters 548 and 629.

The requirements included in the RFQ are based on estimates of enforcement activities and a review of expenditures of previous years. It is difficult to predict with certainty the amount of work required by a contractor in any given year. It depends on the number of complaints received, number of orders issued, extent of non-compliance and the size of the cleanup required. These contracted works are only needed when the persons

responsible for the violation do not comply with a Notice of Violation on a voluntary basis, or due to an emergency/hazardous condition.

COMMENTS

In 2010, Municipal Licensing and Standards received 6,440 complaints, conducted 2,390 proactive inspections and issued 5,520 Notices of Violation.

In 2011, Municipal Licensing and Standards received 6,631 complaints, conducted 2,570 proactive inspections and issued 6,202 Notices of Violation.

ML&S responded to a significantly higher number of complaints and employed an aggressive proactive strategy of waste enforcement than had been anticipated at the time of contract issuance. There was more spending on the contract to address the increased volume of cleanup services during the term of the contract. The contract was amended in accordance with Chapter 71 by increasing the value by \$500,000.00. An additional \$30,161.12 was spent, over and above the approved contract value. The Vendor has been paid and staff have reconciled the contract in SAP. A new contract was put in place in 2012 through RFQ 6033-11-3268.

To avoid over expenditures in the future, ML&S has implemented a centralized system, managed by the division's Program Manager, to provide more accurate estimates, manage all contracts to avoid similar situations and ensure that all contracts remain in compliance for the duration of their respective terms as per the Financial Control By-Law.

Expenditures for work completed under this contract were recovered by applying the costs to the applicable property tax roll as authorized in Toronto Municipal Code, Chapter 548, Litter and Dumping of Refuse and in Toronto Municipal Code, Chapter 629, Property Standards.

This report is required to advise Licensing and Standards Committee on the over expenditure of this expired contract.

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SIGNATURE

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