



STAFF REPORT ACTION REQUIRED

Extension to Contract No.'s 47016678 and 47016758 for goods and services for various Office Moves and Office Asset Warehousing and Management

Date:	March 16, 2016
To:	Government Management Committee
From:	Chief Corporate Officer And Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	P:\2016\Internal Services\FAC\Gm16012fac (AFS # 22681)

SUMMARY

The purpose of this report is to request the authority to extend the term of Contract No. 47016678 for various Office Moves for an additional twenty (20) months and extend the term of Contract No. 47016758 for Office Asset Warehousing and Management for an additional seven (7) months. The proposed extension of both Contracts will not impact or exceed the funds already budgeted for.

The extension of the two (2) contracts is critical to supporting the Office Modernization Program (OMP) pilot projects as well as existing projects currently underway. Information such as redeployment of existing furniture and disposal requirements gathered as a result of the OMP pilots will not be available for incorporation into a new procurement call for moves and asset management until the third quarter of 2017, beyond the expiry dates of the two (2) existing Contracts.

The extension of the Contract term for the two (2) contracts are under the same terms and conditions, and pricing as established with the initial awards as a result of a competitive process conducted for each of the resulting contracts. The report recommends extending the duration of the two (2) contracts only and does not alter the award values, terms and conditions as previously approved.

RECOMMENDATIONS

The Chief Corporate Officer and the Director of Purchasing and Materials Management recommend that:

1. City Council authorize the Chief Corporate Officer to extend the term of Contract No. 47016678 for an additional twenty (20) month term from April 1, 2016 to December 31, 2017 for the provision for Minor Moves under the same pricing, terms and conditions as established with the initial award in a form satisfactory to the City Solicitor.
2. City Council authorize the Chief Corporate Officer to extend the term of Contract No. 47016758 for an additional seven (7) month term from May 22, 2017 to December 31, 2017 for Asset Management, Inventory, Evaluation and Warehousing of System Furniture Parts and Accessories under the same pricing, terms and conditions as established with the initial award in a form satisfactory to the City Solicitor.

Financial Impact

There is no financial impact associated with this report. This report recommends extending the duration of the two (2) contracts but does not alter the award values already approved.

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

DECISION HISTORY

On April 4, 2012, Bid Committee granted authority to award a Contract (47016678) to Guardian Van Lines Limited for supply of all labour, materials and equipment necessary to provide Minor Move requests within various City of Toronto Divisions on an "as and when" required basis as a result of a Request for Quotation (RFQ) 1004-11-7298 for a period of one (1) year from the award date, with the option to renew the contract for three (3) additional separate one (1) year periods. The total contract award approved by Bid Committee, including option years from March 1, 2012 to March 31, 2016, is \$2,950,293 net of all applicable taxes (\$3,002,218 net of HST recoveries). The following is the link to the Bid Committee approval:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.BD68.1>

On May 9, 2012, Facilities Management Division granted authority to award a Contract (47016758) to Guardian Van Lines Limited for the Asset Management, Inventory, Evaluation and Warehousing of System Furniture Parts and Accessories for the City of Toronto on an "as and when" required basis as a result of a Request for Quotation (RFQ) 1004-12-3031 for a period of three (3) years, with the option to renew the contract for two (2) additional separate one (1) year periods. One option renewal period is remaining which will be exercised to amend the current contract by \$93,185 net of all applicable taxes (\$94,825 net of HST recoveries) and to extend the validity date from May 21, 2016 to May 21, 2017. The total contract award, including option years from May 22, 2012 to May 21, 2017, is \$465,951 net of all applicable taxes (\$474,152 net of HST recoveries).

On February 2, 2016, a Staff Report by the Chief Corporate Officer and the Director of Purchasing and Materials Management put forth recommendation to City Council to authorize the Chief Corporate Office to extend the term of each of the four (4) Contracts, #47016723, #47016706, #47019510 and #47016724 for an additional twenty one (21) month term from March 31, 2016 to December 31, 2017 for the provision of supply, delivery and installation of various Office Furniture under the same pricing, terms and conditions as established with the initial award in a form satisfactory to the City Solicitor. The recommendation will be presented to Council on March 31, 2016.

At City Council meeting on July 7, 8, and 9, 2015, Office Modernization Program – Pilot Projects, GM5.18, was adopted. The report recommended City Council amend the 2015 Approved Capital Budget for Facilities Management and Real Estate (FM&RE) by adding a new capital project "Office Modernization Program" (OMP) for implementing two of the three recommended pilot projects as part of the OMP. City Council requested the Chief Corporate Officer to provide an update on the pilot project activities after completing the detailed design and costing to finalize the pilot project cost and identify future year funding sources to be considered as part of the 2016 Budget process:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM5.18>

ISSUE BACKGROUND

The new and updated furniture standards and accompanying data for existing furniture redeployment and disposal and move management services resulting from OMP pilots will not be available until Q4 of 2016, well past the last extension date of current contracts in place. Extensions of the current contracts until December 31, 2017 will allow for continuance of services for ongoing projects as well as address the immediate needs of the Office Modernization Program pilots.

Council decision on the overall OMP is scheduled to take place in Q4 2016. Therefore the extension of these contracts until December 31, 2017 will allow adequate time for the incorporation of new standards and procurement of new furniture vendor contracts to be in place by Q3/Q4 of 2017, prior to the expiry of the current extended contracts, satisfying a continuance of services to ongoing and critical projects during this period.

COMMENTS

The extension of these blanket contracts supports ongoing and critical projects and supports the Chief Corporate Officers mandate for excellence in Customer Service.

To facilitate the timing of City Council authorization, Contract No. 47019393 for the supply of large moving services awarded to AMJ Campbell Toronto will be used from April 1, 2016 to May 3, 2016 in order to ensure continuity of existing service requirement for moving services. The contract for large moving services will cover the period from the current expiry date of Contract No. 47016678 to the date of City Council's approval to extend the term of the contract.

Changes to furniture standards ergonomic needs and redeployment of existing furniture and disposal require careful consideration and incorporation into any and all future procurement contracts. The outcome data of the OMP pilot projects will be available for inclusion into future contracts as of Q4 2016, which surpasses the expiry date of these existing Minor Moves, Office Asset Warehousing and Management and Office Furniture contracts. Procuring new contracts at this time would be premature without this data, and would require a significant impact on resources for both the Facilities and Procurement Divisions for a short term contract.

The benefit of extension of the current contracts allows adequate time and resources to sufficiently plan new procurement documents that would include new standards and a contract period, generating more vendor interest and greater savings over a longer term.

Upon Council approval of OMP in Q4 of 2016, a new contract will be pursued through PMMD replacing these current contracts. The implementation of the replacement contract is anticipated to be active in Q3/Q4 of 2017; therefore extensions of these current contracts will have no financial impact once expired.

The alternative is expiry of these contracts as of March 31, 2016 and May 21, 2017; requires formal RFQ's to be generated for all related projects, this would cause significant project delays (including other Divisions), a strain on resources both in PMMD and Facilities Management, as well as delays to established deliverable timelines to the critical OPM projects and subsequent Council report. In addition, any cost savings realized with the current blanket contracts would not be enforceable with the procurement of individual RFQ documents.

The proposed timeline extension of these contracts is until December 31, 2017, it is anticipated that the new replacement procurement contract will be in place prior to the expiration of current proposed extended contracts, eliminating any service disruption to projects.

CONTACT

Elena Caruso, Manager, Goods and Services, Purchasing and Materials Management Division, Telephone: 416-392-7316, E-mail: ecaruso@toronto.ca

Halyna Benesh, Manager, Workplace Design and Construction, Facilities Management Telephone: 416-392-5328, E-mail: HBenesh@toronto.ca

SIGNATURE

Josie Scioli
Chief Corporate Officer

Michael Pacholok
Director
Purchasing and Materials Management