



REPORT FOR ACTION

Assessing Fire Safety and Fire Code Compliance – Toronto Fire Services Service Level Enhancements

Date: July 20, 2018

To: City Council

From: Fire Chief and General Manager, Toronto Fire Services

Wards: All

SUMMARY

At its meeting of July 13, 2018, the Audit Committee requested the Fire Chief and General Manager, Toronto Fire Services provide a report outlining the operational and financial implications of increasing the number of inspections to be completed by Toronto Fire Services (TFS) during 2018 and options for future enhanced annual inspection services.

Current service levels for Ontario Fire Code Inspections conducted by TFS include annual inspections for certain occupancies as well as complaint based inspections for other occupancies. The TFS Quality Assurance (QA) section conducts approximately 150 randomly selected TFS Inspection file reviews per year in addition to reviewing all Inspection files proceeding to enforcement prior to charges being laid.

This report includes financial implications based on three potential options for expanding the TFS Fire Safety QA Section in order to enhance public fire safety across the City. QA Reviews involve a systematic and comprehensive review of all aspects of *Ontario Fire Code* compliance for a given building, including the associated processes completed by third-party contractors.

Prior to the commencement of the 2020 budget process, the Fire Chief will analyze the data from the enhanced service levels and make recommendations for subsequent Inspection and/or QA service level enhancements as required.

RECOMMENDATIONS

The Fire Chief and General Manager, Toronto Fire Services recommends that:

1. City Council direct the Fire Chief and General Manager, Toronto Fire Services to assign the additional resources concerning the TFS Fire Safety Quality Assurance Section, described as Option 1 in this report, and to adjust the 2018 and future-year Service Level standards as may be required; and that the approved 2018 TFS operating budget be increased by \$392,863 to enable the addition of 11 FTEs, effective September 1, 2018, with one-time funding, from the tax rate stabilization reserve.
2. City Council request the Fire Chief and General Manager, Toronto Fire Services submit the 2019 annualized impact of \$1,135,528, related to the addition of 11 FTEs, with the 2019 TFS budget submission for consideration by the City Manager and the Chief Financial Officer as part of the 2019 administrative review process.
3. City Council direct the Fire Chief and General Manager, Toronto Fire Services to report back to City Council in advance of the commencement of the 2020 budget process with respect to the analysis arising from the enhanced service levels as outlined in Option 1 and recommendations for further Inspection and/or Quality Assurance service level enhancements.

FINANCIAL IMPACT

This report recommends increasing the 2018 Approved Operating Budget for TFS by \$392,863 with one time funding from the Tax Stabilization Reserve and to increase the approved complement by 11 positions required to deliver the enhanced service level.

The report also recommends that the full annual cost of \$1,135,528 be included in the 2019 budget submission for consideration by the City Manager and the Chief Financial Officer as part of the 2019 administrative review process.

The 2018 financial impact to expand the TFS Fire Safety Quality Assurance (QA) Section service level is noted in Table 1. A more detailed costing breakdown for each option to expand the TFS Fire Safety QA Section is included in Attachment 1.

Table 1

Option Number	Annualized Service Level Enhancement	2018 Initial Service Level Enhancement	FTEs	Total Costs (Sept 1, 2018)	Total Annualized Costs
1	Complete approximately 325 additional QA Inspection Audits annually	Complete approximately 80 additional QA Inspection Audits in 2018	11	\$392,862.81	\$1,135,528.31

Table 2 outlines the financial impact of additional options to expand the TFS Fire Safety QA Section:

Table 2 - Additional Options for Expansion

Option Number	Annualized Service Level Enhancement	FTEs	Total Annualized Costs
2	Complete approximately 325 additional QA Inspection Audits annually, effective January 1, 2019	11	\$1,097,051.08
3	Complete approximately 650 additional QA Inspection Audits annually, effective January 1, 2019	21	\$2,111,494.41

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

DECISION HISTORY

At its meeting of July 13, 2018, Audit Committee requested the Fire Chief, Toronto Fire Services, report directly to City Council for its July 23, 2018 meeting outlining the operational and financial implications of increasing the number of inspections to be completed by Toronto Fire Services during 2018, and any associated budget adjustment required to the 2018 Council Approved Toronto Fire Services Operating Budget, for the purposes of assessing fire safety and compliance with the *Fire Code* in buildings and structures within the municipality. Audit Committee also requested that the report include different levels of enhanced annual inspection services for Council's consideration:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.11>

COMMENTS

Current TFS Service Levels – Inspections and Quality Assurance

1. Inspections

TFS Fire protection service levels relating to *Ontario Fire Code* Inspections are defined by frequency of inspections by occupancy type. In 2017, TFS completed 14,954 Ontario Fire Code Inspections city-wide. There are currently 159 Fire Prevention inspectors within TFS complement. Current TFS Inspection service levels are outlined in Table 3:

Table 3 - TFS Inspection Service Levels - Current

Fire Code Inspection Activity	Current TFS Service Level
Inspect each Retirement Home	Inspected annually and observe evacuation fire drill annually as per O. Reg 364/13
Inspect each Care Occupancy	Inspected annually and observe evacuation fire drill annually as per O. Reg 364/13
Inspect each Care and Treatment Occupancy	Inspected annually and observe evacuation fire drill annually as per O. Reg 364/13
Inspect each TCHC building (High-Rise Residential, Mid-Rise Residential, Low-Rise Residential, Townhouse and Walk-Up Residential)	Inspected annually
Inspect each High-Rise Residential building in Toronto	Inspected annually
Inspect all other buildings in Toronto, including City-owned buildings not otherwise noted above	Inspected upon complaint or request

2. Quality Assurance

The TFS QA section was created in 2016 under the authority of the Fire Chief and is currently comprised of 9 FTEs.

TFS Fire protection service levels relating to QA reviews are defined by the number of files that are reviewed under the QA framework on an annual basis. Inspection files are selected for QA review on a randomized basis as determined under the authority of the Fire Chief and include both city-owned and privately-owned buildings.

TFS QA reviews approximately 150 inspections files per year which represents approximately one per cent of the TFS Inspections completed annually. Current TFS QA service levels are outlined in Table 4:

Table 4 - TFS QA Assurance Service Levels - Current

QA Inspection Activity	Current TFS Service Level
TFS Enforcement File Reviews	Every TFS Inspection file that will result in the laying of charges under the <i>Fire Protection and Prevention Act (FPPA)/ Ontario Fire Code</i> are reviewed prior to charges being laid.
Random TFS Inspection File Reviews	Approximately 150 TFS Fire Inspection files are selected for QA review each year. This constitutes approximately one per cent of the annual inspections completed by TFS Inspectors.

TFS Enforcement File Reviews

Formal reviews of each inspection file that is to be submitted by a TFS Fire Inspector for prosecution. Before any *FPPA / Ontario Fire Code* charges are sworn in Provincial Offences Court by TFS, the TFS QA section fully reviews each inspection file to confirm that the requirements for prosecution have been met. Following this review and quality assurance confirmation, the TFS QA section then lays the relevant charges under the *FPPA* and *Ontario Fire Code*. In 2017, all 462 of these files were reviewed by the TFS QA Section.

Random TFS Inspection File Reviews

The TFS QA section conducts approximately 150 randomly selected TFS Inspection file reviews per year, amounting to approximately one per cent of the annual TFS Inspection files being reviewed by TFS QA.

Overview of recent Fire Safety Issues within buildings and structures in the City

In the summer of 2017, the City's Auditor General (AG) forwarded a complaint to TFS alleging violations of the *Ontario Fire Code* at a number of privately-owned buildings within the city. TFS investigated pursuant to the *Fire Protection and Prevention Act (FPPA)* and accompanying Regulations. Following the completion of this investigation, TFS laid charges, alleging 90 violations of the *Ontario Fire Code*, against a number of third-party fire protection companies, technicians and corporate directors. The charges are in the carriage of Toronto Prosecutions Section of Legal Services.

The charges relate predominantly to third-party fire protection companies and their staff not inspecting, testing and maintaining fire and life safety systems in accordance with the requirements of the *Ontario Fire Code*. The fire safety systems include fire alarm systems, sprinkler and standpipes, emergency power generators, emergency lighting units and firefighter elevators in high-rise buildings.

The AG also requested that TFS conduct random enhanced inspections at a number of City-owned buildings to assist the AG's "Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto". TFS performed twelve (12) enhanced inspections at a number of City-owned buildings and noted similar violations related to fire protection companies failing to inspect, test and maintain fire and life safety systems in accordance with the *Ontario Fire Code*.

Options for expanding the TFS Fire Safety QA Section

The recent inspections completed by TFS and the independent investigation completed by the AG related to the inspection, testing and maintenance of fire and life safety systems in buildings and structures within the city, highlighted the associated fire safety risk to both the public and responding firefighters.

Accordingly, TFS has identified several potential options to increase the number of TFS Fire Safety QA Reviews in order to enhance public fire safety across the City. Fire Safety QA Reviews involve a systematic and comprehensive review of all aspects of *Ontario Fire Code* compliance for a given building, including the associated processes completed by third-party contractors.

Option 1 – Assign 11 FTEs to the TFS QA section effective September 1, 2018

With the addition of 11 FTEs assigned to the TFS QA section, as detailed in Appendix 1, TFS estimates that an additional 80 QA Inspection Reviews will be completed in the fourth quarter of 2018, 325 QA Inspection Reviews completed in 2019 and annually thereafter.

Implementing this service level enhancement will result in a total impact to the approved 2018 TFS operating budget of \$392,863, with an annualized impact of \$1,135,528.31 in 2019.

Implementing this option would require that the approved 2018 TFS operating budget be increased by \$392,863, effective September 1, 2018, with one-time funding through the tax rate stabilization reserve. The 2019 TFS base operating budget would also need to be increased by \$1,135,528.31 to fund the annualized costs.

Option 2 – Assign 11 FTEs to the TFS QA section effective January 1, 2019

With the addition of 11 FTEs assigned to the TFS QA section effective January 1, 2019, TFS estimates that an additional 240 annual Fire Safety QA Reviews will be completed in 2019 and 325 completed in each year thereafter. This option will require that the 2019 TFS Operating Budget submission be adjusted to reflect the costs associated with implementing this service level enhancement of \$1,097,051 (based upon 2018 rates).

Option 3 – Assign 21 FTEs to the TFS QA section effective January 1, 2019

With the addition of 21 FTEs assigned to the TFS QA section effective January 1, 2019, TFS estimates that an additional 480 Fire Safety QA Reviews will be completed in 2019 and 650 completed in each year thereafter. This option will require that the 2019 TFS Operating Budget submission be adjusted to reflect the costs associated with implementing this service level enhancement of \$2,111,494.35 (based on 2018 rates.)

Table 5 provides a summary of the viable options available for expanding the TFS Annual Fire Safety QA Review Service Levels. A more detailed costing breakdown for each option to expand the TFS Fire Safety QA Reviews is included in Attachment 1.

Table 5 - Summary of Options

Option Number	Annualized Service Level Enhancement	First Year Service Level Enhancement	FTEs	Total 2018 Costs	Total 2019 Annualized Costs
1	Complete approximately 325 annual QA Inspection Reviews	Complete approximately 80 QA Inspection Reviews	11	\$392,862.81	\$1,135,528.31
2	Complete approximately 325 annual QA Inspection Reviews	Complete approximately 240 QA Inspection Reviews	11	\$0	\$1,097,051.08
3	Complete approximately 650 annual QA Inspection Reviews	Conduct approximately 480 QA Inspection Reviews	21	\$0	\$2,111,494.35

Considerations for Further Expansion - Inspections and Quality Assurance

Prior to the commencement of the 2020 budget process, the Fire Chief will analyze the data from the enhanced service levels as outlined in Option 1 and make recommendations for subsequent Inspection and/or QA service level enhancements as required.

CONTACT

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ATTACHMENTS

Attachment 1 - Costing Breakdown for each option to expand the TFS Fire Safety QA Reviews

Attachment 1 - Costing Breakdown for each option to expand the TFS Fire Safety QA Reviews

Option 1 – Assign 11 FTEs to the TFS QA section effective September 1, 2018

It is projected that the addition of 11 FTEs as of September 1, 2018 will allow for TFS to conduct 80 additional Fire Safety QA Reviews in 2018 and 325 Fire Safety QA Reviews in 2019 and annually thereafter.

2018 TFS Budget Impact

Budget Position	FTEs	Total Cost Per FTE	2018 Total Cost
Fire Inspectors - Probationary	7	\$32,014.17	\$224,099.16
Fire Inspections Supervisor (Captain - 9%)	1	\$57,406.57	\$57,406.57
Fire Protection Engineer	1	\$51,354.22	\$51,354.22
File Clerks (Support Assistant B)	2	\$30,001.43	\$60,002.86
Total	11		\$392,862.81

Implementing these service level enhancements, effective September 1, 2018, will result in a total impact to the approved 2018 TFS operating budget of \$392,863, with an annualized cost of \$742,666 in 2019.

The total cost associated with implementing this service level enhancement is \$1,135,528 (based on 2018 rates). Option 1 enables the following service level enhancements:

- Approximately 80 additional Fire Safety QA Reviews will be completed by December 31, 2018; and
- Approximately 325 additional Fire Safety QA Reviews will be completed in 2019 and each year thereafter.

Option 2 – Assign 11 FTEs to the TFS QA section effective January 1, 2019

It is projected that the addition of 11 FTEs as of January 1, 2019 will allow for TFS to conduct 240 additional Fire Safety QA Reviews in 2019 and 325 Fire Safety QA Reviews annually thereafter.

Full Year 2019 TFS Budget Impact (Based on 2018 rates)

Budget Position	FTEs	Total Cost Per FTE	2019 Total Cost
Fire Inspectors - Probationary	7	\$88,640.34	\$620,482.41
Fire Inspections Supervisor (Captain - 9%)	1	\$164,746.67	\$164,746.67
Fire Protection Engineer	1	\$146,606.50	\$146,606.50
File Clerk (Support Assistant B)	2	\$82,607.75	\$165,215.50
Total	11		\$1,097,051.08

The total 2019 cost associated with implementing this service level enhancement is \$1,097,051 (based upon 2018 rates).

Option 2 enables the following service level enhancements:

- Approximately 240 additional Fire Safety QA Reviews will be completed in 2019; and
- Approximately 325 additional Fire Safety QA Reviews will be completed in 2020 and each year thereafter.

Option 3 – Assign 11 FTEs to the TFS QA section effective January 1, 2019

It is projected that the addition of 21 FTEs as of January 1, 2019 will allow for TFS to conduct 480 additional Fire Service QA Reviews in 2019 and 650 Fire Safety QA Reviews annually thereafter.

2019 TFS Budget Impact (Based on 2018 rates)

Budget Position	FTEs	Total Cost Per FTE	2019 Total Cost
Fire Inspectors - Probationary	14	\$88,640.34	\$1,240,964.76
Fire Inspections Supervisor (Captain - 9%)	2	\$164,746.67	\$329,493.34
Fire Protection Engineer	2	\$146,606.50	\$293,213.00
File Clerk (Support Assistant B)	3	\$82,607.75	\$247,823.25
Total	21		\$2,111,494.35

The total 2019 cost associated with implementing this service level enhancement is \$2,111,494 (based upon 2018 rates).

Option 3 enables the following service level enhancements:

- Approximately 480 additional Fire Safety QA Reviews will be completed in 2019; and
- Approximately 650 additional Fire Safety QA Reviews will be completed in 2020 and each year thereafter.