



REPORT FOR ACTION

Status of the Auditor General's Recommendations Pertaining to Fire and Life Safety at the City of Toronto

Date: February 24, 2020

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management

Wards: All

SUMMARY

In July 2018, City Council adopted the Auditor General's report "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto," (AU13.11) and issued 17 recommendations to address the issues raised in the audit, including gaps related to the inspection, testing and maintenance of fire protection equipment throughout the City.

Corporate Real Estate Management has established the Fire and Life Safety Program Office, which has been working to centralize Fire and Life Safety activities within the City of Toronto and establish a structure to ensure oversight of Fire and Life Safety activities in agencies and corporations with existing programs. The Fire and Life Safety Program Office has made significant progress on bringing the City of Toronto in compliance with the Ontario Fire Code through changes in its service delivery structure, new technology, and improved quality assurance.

Staff expect to fulfil 95 percent of the Auditor General's recommendations by the first quarter of 2021. Full implementation is expected in the first quarter of 2022, when Corporate Real Estate Management expects to fulfil Recommendation 2, which calls for the division to bring all buildings into compliance with the Ontario Fire Code; establish a process to monitor the completeness of fire inspections and monitor the rectification of all fire safety deficiencies for all City Divisions, Agencies and Corporations; and report back to City Council annually on the level of compliance. To fulfil Recommendation 2, Corporate Real Estate Management must fully operationalize the Fire and Life Safety Program Office, centralize all functions City-wide, and ensure that sufficient time passes so that the impact of these measures can be measured. Implementation of the recommendations is subject to verification by the Auditor General's Office.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management recommends that:

1. The General Government and Licensing Committee receive this report for information.

FINANCIAL IMPACT

There is no financial impact associated with the adoption of the recommendation in this report.

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

DECISION HISTORY

At its meeting of October 29 2019, City Council adopted 2019.GL8.8 " Update on Fire and Life Safety at the City of Toronto and Non-Competitive Agreement with Building Reports Canada for the Provision of Fire and Life Safety Tracking and Compliance Software" and issued directions to the General Manager, Facilities Management and other City staff to report annually to the General Government and Licensing Committee with a one-page progress matrix that responds to the Auditor's findings, recommendations and progress to date, starting the first quarter of 2020; such a matrix to include the deliverables, the progress of the response, estimated time to completion, and identify the responsible party.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL8.8>

At its meeting of May 21, 2019, the General Government and Licensing Committee adopted GL5.14 "Interim Status Report on Fire and Life Safety," which provided an update on the City's work to address the Council-adopted recommendations put forth by the Auditor General in 2018.AU13.11 "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto," including the establishment of a City-wide Fire and Life Safety Program Office, an independent audit of 10 percent of the City's building portfolio, the development of standard operating procedures, contract improvements, and the promotion of a culture of life safety at the City. The report can be accessed online at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL5.14>

At its meeting of July 23, 2018, City Council adopted 2018.AU13.11 "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto" and issued multiple directions to the General Manager, Facilities Management and other City staff to improve the management and delivery of fire and life safety service at City buildings. In adopting the item, City Council directed the General Manager, Facilities Management to report back to City Council annually on the level of

fire and life safety compliance. The report can be accessed online at:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.11>

COMMENTS

The Fire and Life Safety Program Office continues to make substantial progress toward bringing the City of Toronto into compliance with the Ontario Fire Code. An organizational structure has been established with three main objectives, Operational Compliance with the Ontario Fire Code; Corporate Training and Development; and Contract Management and Quality Assurance. All three programs are in the process of hiring staff and assigning roles and responsibilities. The centralization of all Fire and Life Safety responsibilities continues to move forward as individuals are hired and assume their roles.

Roles and responsibilities for Fire and Life Safety have been defined.

With the establishment of the Fire and Life Safety Program Office, a key first step has been accomplished with the development of the City of Toronto Master Fire Program. This program outlines the roles and responsibilities within the City and ensures alignment with the recommendations outlined by the Auditor General. The Master Fire Program has been developed in collaboration with the Toronto Fire Service and outlines the City of Toronto's commitment to ensure compliance in City facilities. Throughout 2020, the Fire and Life Safety Program Office will be working with all divisions, agencies and corporations to finalize the implementation of the Master Fire Program. The development and implementation of the Master Fire Program is expected to support the implementation of Recommendation 1.

The centralization of Fire and Life Safety functions is underway.

Currently, the primary focus of the Fire and Life Safety Program Office is the establishment and staffing of a centralized office, which will assume full responsibility for all Ontario Fire Code requirements in City facilities by the end of 2020. To this end, the Fire and Life Safety Program Office continues to meet with all stakeholders to outline a transition plan for all Fire and Life Safety functions that are presently distributed across City Divisions, Agencies, and Corporations. Pending the full operationalization of the Fire and Life Safety Program Office and the transfer of these functions, the Fire and Life Safety Program Office is supporting Divisions, Agencies, and Corporations to ensure compliance using existing resources.

Toronto Community Housing Corporation, Toronto Hydro and the Toronto Transit Commission will not be included within the Fire and Life Safety Program Office's centralized model. All three agencies have very unique operations with well-established fire and life safety programs. As directed by City Council, these agencies will submit information about the completeness of Fire and Life Safety inspections testing and maintenance to Corporate Real Estate Management on an annual basis. In addition, the Fire and Life Safety Program Office continues to work collaboratively with all three agencies in an effort to share knowledge and jointly improve Fire and Life Safety compliance within the City of Toronto.

The centralization of Fire and Life Safety functions is expected to address Recommendations 1, 2 and 9.

A City-wide Fire and Life Safety training program is being established.

In an effort to expedite the establishment of clear roles and responsibility, the Fire and Life Safety Program Office has been working diligently on the roll out of a corporate wide Fire and Life Safety training program. This program will focus on two main areas of improvement, service provider compliance and occupant understanding of the Ontario Fire Code. This action is expected to address Recommendation 3.

A comprehensive Fire and Life Safety services contract is being prepared.

The Fire and Life Safety Program Office has initiated the development of a City-wide Request for Proposal in collaboration with all Agencies, Divisions and Corporations. A third party consulting firm has been hired to help develop the scope and ensure that the document covers all requirements as outlined by the Ontario Fire Code. This Request for Proposal will ensure the standardization of the Fire and Life Safety service within the City of Toronto and provide a strong foundation for compliance. The Request for Proposal process will enable the Fire and Life Safety Program Office to implement a strong service agreements which will finalize the framework, outlined within the Auditor General's recommendations. This is expected to be completed before the end of 2020. In the interim, the Fire and Life Safety Program Office has hired seven (7) new vendors to carry out all requirements outlined under the Ontario Fire Code and retroactively resolve any outstanding deficiencies from past contracts. Once awarded, the new comprehensive Fire and Life Safety contract is expected to address Recommendations 5 and 6.

The City continues to strengthen quality assurance for Fire and Life Safety work.

Where compliance issues have been identified, the City has acted to resolve them to ensure that there is no immediate risk to life safety in City facilities. In addition to resolving past issues, the Fire and Life Safety Program Office has implemented an interim audit process with existing vendors to ensure that the work carried out is measured against the requirements of the Ontario Fire Code. The quality control process is a continuation of the City-wide audit process, which resulted in the cancellation of two former contracts and continues to support the ongoing legal action against both vendors. Throughout 2020, the Fire and Life Safety Program Office will continue to carry out City-wide audits on service providers and owners.

Initially, external consultants will carry out these audits. Once the Fire and Life Safety Office is fully staffed, responsibility for the audits will transition to internal staff. The information learned from these audits will be shared with the divisions and vendors to drive industry wide and ensure compliance with the Ontario Fire Code. For contractors who do not demonstrate improvement or there is evidence of substantial non-compliance with the Ontario Fire Code, the information will support contractor performance management efforts by the City. The implementation of the quality control processes will complete the requirements of Recommendation 12.

New technology supports efforts to ensure compliance.

In January 2020, the Fire and Life Safety Program Office began working to implement the Building Reports Canada Fire and Life Safety tracking and compliance software.

This software will greatly improve our centralized record management capabilities by moving standardizing all future records. This initiative builds on the 2019 record centralization project and will ensure that two years of Fire and Life Safety records will be available at any time, as required by the Ontario Fire Code. The Fire and Life Safety Program Office has been working proactively with vendors to ensure early adoption of the standardized software. This application has been adopted by four current Fire and Life Safety vendors, who are providing standardized reports to the City in a non-alterable format. All other Fire and Life Safety vendors currently under contract to the City are moving to acquire the software and integrate it into their operation. Once the new Request for Proposal has been issued and awarded, all vendors will be contractually required to use this software and follow the City's standards. The implementation of this software solution supports the implementation of Recommendations 2 and 4.

A timeline has been established for the operationalization of the FLS-PO.

Building on the work completed to date, the Fire and Life Safety Program office will focus on achieving the following objectives in 2020:

- Complete the recruitment of Fire and Life Safety Program Office staff by the third quarter of 2020.
- Internalize all monthly inspections in the fourth quarter of 2020.
- Centralize all Fire and Life Safety functions by the end of 2020.
- Integrate the new Building Reports Canada Fire and Life Safety tracking and compliance software into all inspection services for all divisions by end of 2020.

Nearly all Auditor General Recommendations should be implemented by early 2021.

All recommendations associated with the development and implementation of best practices and roles and responsibilities will be complete in the first quarter of 2021. This includes Recommendations 1, 3, 4, 5, 6, 9 and 12, as outlined within the attached progress matrix (Attachment 1). Recommendation 2, will be fully implemented by the first quarter of 2022. For this recommendation to be fulfilled, Corporate Real Estate Management must fully operationalize the Fire and Life Safety Program Office, centralize all functions City-wide, and ensure that sufficient time passes so that the impact of these measures can be measured. The Fire and Life Safety Program Office will provide an updated compliance report, as per Recommendation 2, in the fourth quarter of 2020, with updated corporate compliance levels.

Toronto Fire has confirmed that recommendations 7, 8, 10, 11, 13, 14 and 15 have been fully implemented and are now complete.

In fulfilment of Recommendations 16 and 17, in July 2018 the Interim City Manager sent a communication reminding all staff of their obligation to report suspected wrongdoing against the City and its agencies, including suspected wrongdoing by third party vendors. The City Manager's Office confirms that the obligation to report suspected wrongdoing by third party vendors is already required under the Toronto Public Service By-law.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1: Fire and Life Safety Progress Matrix