



REPORT FOR ACTION

Extension of Non-Competitive Contracts for Fire and Life Safety Vendors due to COVID-19 Emergency

Date: June 22, 2020

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management;
Chief Purchasing Officer

Wards: All

SUMMARY

The purpose of this report is to seek authority for the Executive Director, Corporate Real Estate Management to amend the contract value and extend the contract date for Non-Competitive Contract Numbers 47022051 for Chubb Edward utc Fire & Security, 47022278 for Forest City Fire Protection LTD., 47022277 for JD Collins Fire Protection Company, 47022052 for Viking Fire Protection Inc, and 47022050 for Tyco Integrated Fire & Security, for the supply of fire and life safety inspection and maintenance services from August 31, 2020 to March 31, 2021, and increase the cumulative value of all contracts by \$2,653,000 net of all taxes and charges (\$2,699,693 net of Harmonized Sales Tax recoveries). The requested amendments are required due to increased demands associated with the City's response to COVID-19 and will ensure continuity of service and ensuring City wide compliance with the Ontario Fire Code until a new Request For Proposal can be awarded in the first quarter of 2021.

City Council approval is required in accordance with Municipal Code Chapter 195-Purchasing, where the current request exceeds the Chief Purchasing Official's authority of the cumulative five (5) year commitment for each vendor, under Article 7, Section 195-7.3 (D) of the Purchasing By-Law or exceeds the threshold of \$500,000 net of Harmonized Sales Tax allowed under staff authority as per the Toronto Municipal Code Chapter 71-Financial Control, Section 71-11A.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, and the Chief Purchasing Officer recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Blanket Contract Number 47022051 issued to Chubb Edwards, Utc Fire & Security to provide fire and life safety inspection, testing and maintenance

service for all City of Toronto Divisions by an additional amount of \$416,000 net of all applicable taxes and charges (\$423,321 net of Harmonized Sales Tax recoveries), increasing the value from \$834,000 to \$1,250,000 net of all applicable taxes and charges (\$1,272,000 net of Harmonized Sales Tax recoveries).

2. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Blanket Contract Number 47022278 issued to Forest City Fire Protection LTD. to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions by an additional amount of \$500,000 net of all applicable taxes and charges (\$508,800 net of Harmonized Sales Tax recoveries), increasing the value from \$1,000,000 to \$1,500,000.00 net of all applicable taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries).

3. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Blanket Contract Number 47022277 issued to JD Collins Fire Protection Company to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Division by an additional amount of \$750,000 net of all applicable taxes and charges (\$763,200 net of Harmonized Sales Tax recoveries), increasing the value from \$1,000,000 to \$1,750,000 net of all applicable taxes and charges (\$1,780,800 net of Harmonized Sales Tax recoveries).

4. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Blanket Contract Number 47022052 issued to Viking Fire Protection Inc. to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Division by an additional amount of \$500,000 net of all applicable taxes and charges (\$508,800 net of Harmonized Sales Tax recoveries), increasing the value from \$1,000,000 to \$ 1,500,000 net of all applicable taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries).

5. The General Government and Licensing Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law) grant authority to amend Blanket Contract Number 47022050 issued to Tyco Integrated Fire & Security to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Division by an additional amount of \$500,000 net of all applicable taxes and charges (\$508,800 net of Harmonized Sales Tax recoveries), increasing the value from \$1,000,000 to \$ 1,500,000 net of all applicable taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The amendment of the current blanket contracts for the extended period from August 31, 2020 to March 31, 2021 result in an increase across all contracts of \$2,653,000 net of all taxes and charges (\$2,699,693 net of Harmonized Sales Tax recoveries) from \$4,597,000 net of all taxes, to a total value of \$7,250,000 net of all applicable taxes and charges (\$7,377,600 net of Harmonized Sales Tax recoveries).

This will require \$1,799,795 in 2020 and \$899,898 in 2021 to be implemented. There is no incremental 2020 budget impact as funding in the amount of \$1,799,795 is available in the 2020 Council Approved Operating Budget for Corporate Real Estate Management (CREM) for the Fire and Life Safety services under FA100-30.S and FA100-130.S, GL 4424 and 4431.

Additional funding in the amount of \$899,898 will be requested in CREM's 2021 Operating Budget submission for Council consideration for the contract extension period of January 1 to March 31, 2021.

The breakdown by contract / vendor is summarized in Table 1 below.

Table 1: Contact Amendment Summary (all values are net of Harmonized Sales Tax recoveries)

Vendor Name	Original Value	Amended Value (Feb 20, 2020)	2020 Requested Additional Value	2021 Requested Additional Value	Total Requested Additional Value	Total Contract Value
Chubb Edwards, Utc Fire & Security	508,800	848,678	282,214	141,107	423,322	1,272,000
Forest City Fire Protection LTD.	508,800	1,017,600	339,200	169,600	508,800	1,526,400
JD Collins Fire Protection Company	508,800	1,017,600	508,800	254,400	763,200	1,780,800
Tyco Integrated Fire & Security	508,800	776,429	330,381	165,190	495,571	1,272,000
Viking Fire Protection Inc.	508,800	1,017,600	339,200	169,600	508,800	1,526,400
Total	2,544,000	4,677,907	1,799,795	899,898	2,699,693	7,377,600

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information as identified in the Financial Impact section.

DECISION HISTORY

At its meeting of October 29 and 30, 2019, the City Council adopted 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 received an update on the status of fire and life safety compliance within the City of Toronto, provided direction to report annually to the General Government and Licensing Committee on the status of the Auditor General's recommendations, provided direction to City of Toronto agencies and corporations to submit information, on an annual basis and for the Fire and Life Safety Program Office to provide Open Data Toronto with the necessary inspection information. The item can be accessed online at:

<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 item 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 item can be accessed online at:

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

COMMENTS

Fire Life Safety Contract Background and termination of past vendors

In response to the Auditor General's investigation "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto" (see item 2018.AU13.11), Corporate Real Estate Management carried out a series of audits into fire and life safety service providers, who were under contract to the City of Toronto in 2018. The investigations resulted in the decision to change some fire and life safety service providers.

Emergency Contracts Procured

To ensure continuity of service and maintain compliance with the Ontario Fire Code, Corporate Real Estate Management executed five (5), emergency non-competitive blanket contracts in early 2019. The five blanket contracts each had a value of \$500,000, totalling \$2,500,000 (\$2,544,000 net of Harmonized Sales Tax recoveries). These contracts covered the scope of the services provided by the past vendors.

The rectification of historic issues prematurely utilized the initial contract value and required additional funds to maintain the service. In early 2020, the fire and life safety contracts were amended under delegated authority to increase their term lengths and values. The amended contract values and terms were expected to ensure service until August 2020, at which time the City Wide Fire and Life Safety Request for Proposal (RFP) was expected to be awarded and new contracts issued.

COVID-19 Response

In early March 2020, the Fire and Life Safety Program Office was redirected to assist with the City's response to COVID-19. The development of the RFP was put on hold, and the scope of the five non-competitive contracts was expanded to assist with the COVID-19 emergency. The vendors were redirected to work with Toronto Fire Service to convert the community centres into emergency shelters, and to open the Emergency Worker Childcare Centres under a new use. At present, the Fire and Life Safety Program Office anticipates that enhanced COVID-19 response will be required into Q3 of 2020. With the continued focus on supporting the City's response to COVID-19, the RFP award will likely be delayed until the first quarter of 2021.

The delay in the award of the RFP, as well as the expanded scope resulting from COVID-19 response, will require the City to sustain these contracts longer than originally anticipated or intended. Accordingly, the current emergency contracts will exceed their current approved values within the Chief Purchasing Officer's authority. The requested blanket contract amendments will support the sustainment of the COVID-19 response while ensuring City-wide compliance with the Ontario Fire Code.

Conclusion

This service provided by the five fire and life safety vendors is critical to the safety of all building occupants and the public who use City facilities. Disruption to the current services provided by any of these vendors would result in significant risk to occupants, jeopardize the ability to respond as needed to the COVID-19 pandemic and lead to non-compliance under the Ontario Fire Code.

The Fair Wage Office has reported that the above five (5) vendors included in this report have indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

CONTACT

Ryan Duggan, Director, Fire and Life Safety Program
Office Corporate Real Estate Management,
Telephone: 416-338-7283, Email: Ryan.Duggan@toronto.ca

Jacquie Breen
Manager, Corporate Purchasing Policy and Quality Assurance
Purchasing and Materials Management

Telephone: 416-392-0387, Email: Jacquie.Breen@toronto.ca

SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

Michael Pacholok
Chief Procurement Officer