



REPORT FOR ACTION

Non-Competitive Bridge Contracts for the Provision of Arboricultural Services in the City of Toronto

Date: August 27, 2020

To: Infrastructure & Environment Committee

From: General Manager, Parks, Forestry and Recreation and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to establish non-competitive bridging contracts with the current Arboricultural Services providers Davey Tree Expert Company of Canada (Blanket Contract # 47021964), Ontario Line Clearing & Tree Experts (Blanket Contract # 47021967) and W.M. Weller Tree Service (Blanket Contract # 47021966) for the continued non-exclusive supply of all labour, equipment and material necessary to perform Arboricultural Services at various locations for the Parks, Forestry and Recreation Division from January 1, 2021 to June 30, 2021. This work is required to mitigate public liability and to maximize the tree canopy potential by ensuring healthier and long-lived trees through a proactive, systematic maintenance regime.

The consolidated value of all three (3) bridge contracts for the period of January 1, 2021 to June 30, 2021 to the City of Toronto is \$9,873,443, net of Harmonized Sales Tax (\$10,047,216 net of Harmonized Sales Tax recoveries). Details of the bridging contracts for each vendor are provided in the Financial Impact and Comments sections.

A negotiated Request for Proposal (RFP) for Arboricultural Services (Doc # 2305234907) was issued in March 2020 and closed in May 2020 for a two (2) year term with three (3) additional one (1) year optional renewal periods commencing January 1, 2021. The bid review team, made up of Urban Forestry and Purchasing and Materials Management staff, as well as a Fairness Monitor, was underway with the review and negotiations.

At its meeting of July 28 and 29, 2020 City Council considered Infrastructure and Environment Committee Item IE14.8 "Ensuring Value for Money for Tree Maintenance Services – Update and Legal Advice". At that meeting City Council requested a further report from the City Manager to be considered at the next Audit Committee meeting scheduled for October 23, 2020. As a result, negotiations that were underway were put on hold until further notice.

Due to this delay, which impacts the award of the 2021 Contract(s), non-competitive bridge contracts are required for the current three (3) vendors from January 1, 2021 to June 30, 2021 for the continued supply of all labour, equipment and material to perform arboricultural services. This will ensure continuity of essential arboricultural services including tree pruning and maintenance until such time that the 2021 Contract can be awarded. This work is required to mitigate public liability and maximize the tree canopy potential by ensuring healthier and long-lived trees through a proactive, systematic maintenance regime.

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 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 HST allowed under staff authority as per the Toronto Municipal Code, Chapter 71- Financial Control, Section 71-11A.

RECOMMENDATIONS

The General Manager, Parks, Forestry and Recreation and the Chief Procurement Officer recommend that:

1. City Council authorize the General Manager, Parks, Forestry and Recreation to negotiate and enter into non-competitive bridging contracts with the current Arboricultural Services providers for a period of 6 months, from January 1, 2021 to June 30, 2021, on terms and conditions satisfactory to the General Manager, Parks, Forestry and Recreation and in a form satisfactory to the City Solicitor based on the following details:

- a. Davey Tree Expert Company of Canada in the amount of \$ \$2,374,689, net of Harmonized Sales Tax (\$2,416,484, net of Harmonized Sales Tax recoveries).
- b. Ontario Line Clearing & Tree Experts in the amount of \$3,229,781, net of Harmonized Sales Tax, (\$3,286,625, net of Harmonized Sales Tax recoveries).
- c. W.M. Weller Tree Service in the amount of \$4,268,973, net of Harmonized Sales Tax (\$4,344,107, net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The consolidated cost of all three (3) bridge contracts for the period of January 1, 2021 to June 30, 2021 to the City of Toronto is \$9,873,443, net of Harmonized Sales Tax (\$10,047,216, net of Harmonized Sales Tax recoveries). The cost breakdown by vendor is summarized in Table 1 below.

The bridge contracts are to commence January 1, 2021, for a period of 6 months, to June 30, 2021.

Funding will be requested in the 2021 Operating Budget Submission for Parks, Forestry and Recreation.

Table 1: Bridge Contract values (all values are net of Harmonized Sales Tax recoveries)

Period	Davey Tree Expert Company of Canada	Ontario Line Clearing & Tree Experts	W.M. Weller Tree Service	Total Bridge Values (net of HST recoveries)
January 1, 2021 – June 30, 2021	\$2,416,484	\$3,286,625	\$4,344,107	\$10,047,216

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

DECISION HISTORY

On May 14, 2019, City Council adopted the Report entitled Review of Urban Forestry – Ensuring Value for Money for Tree Maintenance Services (AU2.4) which included 10 recommendations and 3 motions.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU2.4>

On October 25, 2019, the Audit Committee considered an information report from the General Manager, Parks, Forestry and Recreation outlining the division's progress in responding to the May 2019 Council direction (AU4.14).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU4.14>

On July 28 and 29, 2020, City Council adopted the report entitled Ensuring Value for Money for Tree Maintenance Services – Update and Legal Advice (IE14.8) with amendments and requested a further report from the City Manager to be considered at the next Audit Committee meeting scheduled for October 23, 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.IE14.8>

COMMENTS

Through a collaborative effort, Parks, Forestry and Recreation and Purchasing and Materials Management developed a negotiated RFP for Arboricultural Services, which incorporated key recommendations from the Auditor General's report entitled "Ensuring Value for Money for Tree Maintenance Services". Among other improvements, the structure of the 2021 RFP is a combination of unit rates and hourly rates which will provide the City of Toronto with information to determine which contract type is more productive and cost effective.

The RFP was issued in March 2020 and closed in May 2020 for a two (2) year term with three (3) additional one (1) year optional renewal periods commencing January 1, 2021. The bid review team was made up of Urban Forestry and Purchasing and Materials Management staff, as well as a Fairness Monitor. The bid review team was in the process of completing the negotiations and preparing to award the RFP at the September Infrastructure and Environment Committee. At its meeting of July 28 and 29, 2020 Council considered Infrastructure and Environment Committee item IE14.8 "Ensuring Value for Money for Tree Maintenance Services – Update and Legal Advice". Council requested a further report from the City Manager to be considered at the next Audit Committee meeting scheduled for October 23, 2020. As a result, negotiations that were underway were put on hold until further notice.

Due to this delay, which impacts the award of the 2021 Contract, non-competitive bridge contracts are required for the current three (3) vendors to ensure the continuation of services. The following are the key details related to requirements of bridge contracts:

- The current contracts will expire December 31, 2020.
- There are no further option years available under the current RFQ to extend the validity dates.
- The non-competitive bridge contracts are required to continue arboricultural services and maintain service levels until the 2021 RFP can be awarded by Urban Forestry commencing July 1, 2021.
- These arboricultural services are required for the maintenance of City-owned trees on streets and in parks.
- Proper tree maintenance ensures the City fulfills its obligation to mitigate any risk under the City's duty of care under the Occupiers Liability Act.
- The total value of the bridge contracts, net of Harmonized Sales Tax recoveries, are as follows:
 - Davey Tree Expert Tree Company of Canada @ \$2,416,484
 - Ontario Line Clearing & Tree Experts @ \$3,286,625
 - W.M. Weller Tree Service @ \$4,344,107
 - Note – The pricing for the bridge period will be increased by the value indicated using the November 2020 Consumer Price Index rates

The Fair Wage Office has reported that all the arboricultural services vendors identified in this Staff report have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

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SIGNATURE

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