

Amendment to Non-Competitive Contract Number 47022679 with Star Security Inc. for Security Guard Services at Shelter Sites as Part of the COVID-19 Response

Date: April 14, 2021

To: Economic and Community Development Committee

From: Executive Director, Corporate Real Estate Management and the Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Non-Competitive Blanket Contract Number 47022679 with Star Security Inc. for the provision of security guard services at various locations managed by the Shelter, Support and Housing Administration Division, in the amount of \$8,074,610.00 net of Harmonized Sales Tax (\$8,216,723.14 net of Harmonized Sales Tax recoveries), for the period from January 1, 2021 to September 30, 2021. With the requested amendment, the total contract value will be increased from \$14,402,995.51 to \$22,477,605.51, net of Harmonized Sales Tax.

The non-competitive contract will continue to support the City's COVID-19 emergency response, and allow staff sufficient time to award a new competitive contract. The contract will continue to honour the existing terms and conditions of the existing Non-Competitive Blanket Contract Number 47022679 with Star Security Inc.

The Economic and Community Development Committee's approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Procurement Officer's authority of the cumulative five year commitment limit 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 71-11.1.

RECOMMENDATIONS

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

1. The Economic and Community Development Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), authorize an amendment to Non-Competitive Blanket Contract Number 47022679 with Star Security Inc. for the provision of the contracted security guard services at various locations managed by Shelter, Support and Housing Administration, in the amount of \$8,074,610.00 net of Harmonized Sales Tax (\$8,216,723.14 net of Harmonized Sales Tax recoveries), for the period from January 1, 2021 to September 30, 2021, increasing the current blanket contract value from \$14,402,995.51 to \$22,477,605.51, net of Harmonized Sales Tax, on terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total value identified in this report is \$8,074,610.00, net of Harmonized Sales Tax. The cost to the City is \$8,216,723.14, net of Harmonized Sales Tax recoveries. Funding is included in the Council Approved 2021 Operating Budget for Shelter, Support and Housing Administration under Cost Centre HS100X.

Funding details for Blanket Contract Number 47022679 are provided below:

Term	Cost Centre	Cost Element	Net of Harmonized Sales Tax	Net of Harmonized Sales Tax Recoveries
January 1, 2021 to September 30, 2021	HS100X	4439	\$8,074,610.00	\$8,216,723.14
Total			\$8,074,610.00	\$8,216,723.14

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 December 24, 2019, the Bid Award Panel adopted Report 2019.BA60.3 - Award of Request for Proposal 9101-19-0198 to A.S.P Incorporated for the Provision of Security Guard Services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.BA60.3>

COMMENTS

Security guard services are in place at a number of facilities to support Shelter, Support and Housing Administration and third-party Service Providers in order to provide a safe environment for staff, clients, and members of the public.

ASP Security Inc. was the successful proponent of a Request for Proposal (Number 9101-19-0198) for the provision of security guard services for these Shelter, Support and Housing Administration sites for a three (3) year term (Blanket Contract Number 47022573) from January 6, 2020 to January 12, 2023.

In February 2020, as part of mitigation plans for a potential labour disruption, a Non-Competitive Blanket Contract Number 47022769 was issued to Star Security Inc. in the amount of \$499,999.99, net of Harmonized Sales Tax for the provision of security services at various City locations during a potential labour disruption.

In March 2020, as a result of the City's COVID-19 emergency response, the Shelter, Support and Housing Administration division planned to open a number of temporary respite service locations for people experiencing homelessness to ensure prevention, mitigation, and recovery against COVID-19 in the existing shelter system. Additional security services were immediately required at four (4) of these new temporary respite service locations. As the COVID-19 pandemic had just commenced, it was not known how long these sites would be required and therefore how long security guard services would be required. In April 2020, as immediate new security guard services were required, and there was no existing capacity to provide these services by the existing vendor, ASP Security Inc., the City and Star Security Inc. agreed to amend the original legal agreement to allow the vendor to provide new security services for the City's COVID-19 response. The Corporate Real Estate Management and Purchasing and Materials Management Division approved and issued an amendment to increase the target value of blanket contract in the amount of \$500,000 net of Harmonized Sales Tax.

By June 2020, the Shelter, Support and Housing Administration had rapidly opened fourteen (14) additional locations bringing the total of new sites to seventeen (17) service locations. All sites needed immediate 24 hour on site security guard services. The existing vendor, ASP Security Inc. was able to expand services to a few of these locations, but was not able to staff the majority of the new locations with the limited time notice. Star Security Inc. was however able to rapidly staff a number of the new sites and the City was very satisfied with the services that Star Security Inc. was providing at these challenging sites.

Upon consultation with the Purchasing and Materials Management Division and the Shelter, Support and Housing Administration Division, a further amendment to Blanket Contract Number 47022769 was processed with Star Security Inc. in order to staff a number of new locations. While it was unknown as to exactly how long the new sites would be required as part of the COVID-19 response, the end date of December 31, 2021 was chosen for the amendment. Corporate Real Estate Management recommended that an increase and extension of the Blanket Contract Number

47022679 with Star Security Inc. in the amount of \$13,402,996.51 net of Harmonized Sales Tax until December 31, 2020 for the provision of security services at temporary respite locations as part of the City's response to the COVID-19 emergency. The total value of the new contract was therefore \$14,402,995.51.

It was envisioned in 2020 that some of the temporary shelter sites would close by early 2021 and the existing vendor ASP Security Inc. would be able to provide the required on-going security to the remaining sites. Unfortunately, the pandemic response has had to continue with all new sites operating and these sites will likely continue to require security guard services through to the end of 2021. Providing security guard services at these sites is challenging for the security guards and security guard companies. Security guards must frequently enforce regulations at sites which results in them having to closely interact with service users and physical distancing may not be possible. A number of sites have also been subject to COVID-19 outbreaks and a number of security guards from both ASP Security Inc. and Star Security Inc. have contracted COVID-19. Providing the full complement of security guards at the sites has also been a challenge for the existing vendor ASP Security Inc. due to these factors.

As it is currently fully unknown as to how long all these new sites will be in operation a long-term staffing plan was developed. As part of this plan, most sites continue to be transitioned to the existing vendor ASP Security Inc. over the next three months. A new competitive procurement is also currently being issued by the Purchasing and Materials Management Division with the expected award date of October 1, 2021. As part of the staffing plan, it is recommended that the four (4) most challenging sites currently being serviced by Star Security Inc. remain with Star Security Inc. until a successful proponent is sourced through the on-going competitive solicitation

In order to resolve past 2021 invoices to date, and to provide the ability to continue to services the shelter sites with Star Security Inc., the Corporate Real Estate Management is requesting a further amendment to Non-Competitive Blanket Contract Number 47022679 with Star Security Inc. to increase the dollar value by \$8,074,610.00 net of Harmonized Sales Tax to ensure the continuation of services until September 30, 2021. The total contract value with this amendment will increase from \$14,402,995.51 to \$22,477,605.51, net of Harmonized Sales Tax.

The Fair Wage Office has reported that Star Security Inc. has reviewed and understands the Fair Wage Policy and Labour Trades requirements. They have also agreed to fully comply.

CONTACT

Dwaine Nichol, Director, Corporate Security, Corporate Real Estate Management Division, 416-397-7129, Dwaine.Nichol@toronto.ca

Jacquie Breen, Manager, Corporate Purchasing Policy and Quality Assurance, Purchasing and Materials Management Division, 416-392-0387, Jacquie.Breen@toronto.ca

SIGNATURE

Patrick Matozzo
Executive Director
Corporate Real Estate Management

Michael Pacholok
Chief Procurement Officer
Purchasing and Materials Management