

Amendment to Blanket Contract 47022158 issued to Toronto Drydock Limited for Emergency Dry Docking

Date: May 12, 2021

To: General Government and Licensing Committee

From: Acting Fire Chief and General Manager- Emergency Management, Toronto Fire Services and Chief Procurement Officer, Purchasing and Materials Management Division

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Contract Number 47022158 issued to Toronto Drydock Limited. A call for dry-docking services was issued on behalf of Parks Forestry and Recreation in 2018 which resulted in award to Toronto Drydock Limited. The contract awarded to Toronto Drydock limited for Parks, Forestry and Recreation was set up as a one year contract (September 2018 to September 2019) with four (4) one-year optional extensions. The total potential contract value for the base term and the 4 option years was \$2,972,585 net of all applicable taxes and charges (\$3,024,902 net of HST recoveries).

Following the original award to Toronto Drydock Limited for Parks, Forestry and Recreation, an amendment in the amount of \$499,900 (\$508,698.24 net of HST recoveries) was processed to accommodate Toronto Fire Services (TFS) requirements which were not part of the original procurement. This resulted in the issuance of Contract Number 47022158. In order to ensure that sufficient funds are available for the two (2) remaining option year renewal terms and ensure the contract compliance is maintained, the total amendment being requested will increase Contract 47022158 value by \$100,000 net of all applicable taxes and charges (\$101,760 net of HST recoveries) revising the current contract value from \$499,900 to \$599,900 (from \$508,698.24 net of HST recoveries to \$610,458.24 net of HST recoveries).

As the overall amendment value for the contract award has now exceeded \$500,000, General Government and Licensing Committee approval is required. It is important to note that the over-expenditure process under Chapter 71, Financial Control, bases the original commitment value on the value at award. This means that if Parks, Forestry and Recreation requires an amendment, it will now require General Government and Licensing Committee approval as well since we treat both the original award to Parks, Forestry and Recreation and the amendment to TFS as a cumulative value. After this

amendment, the cumulative value will be \$3,572,485 net of all applicable taxes and charges.

TFS realized a number of unscheduled Transport Canada mandated repairs to the two (2) fire boats, William Lyon Mackenzie and William Thornton, requiring these vessels to be dry docked. In light of this, TFS utilized almost all of the available blanket contract funding to cover the cost of this work. The current contract value of \$499,900 was issued based on the "piggyback" provision included in Section 8.0 of the RFQ. The contract, in its entirety, is considered an amendment to the original award recommendation by the City's Parks, Forestry, and Recreation Division.

The Blanket Contract value increase request is based on best estimates for any potential future hull and related repairs requiring either vessel to be dry docked. TFS does not anticipate any scheduled repairs requiring the services of Toronto Drydock Limited, but prudently seeks to ensure the availability of a contract to facilitate immediate entry to dry-dock if an emergency repair should be required. These unanticipated emergencies would include, but are not limited to the following repairs: such as hull, rudder, or propeller damage, plus fire pump repair and certain engine repairs where hull penetrations, i.e., fire pump supply or cooling water are affected.

RECOMMENDATIONS

The Acting Fire Chief and General Manager and the Chief Procurement Officer recommend that:

1. The General Government and Licensing Committee, in accordance with Section 71-11.1.C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-Law), grant authority to amend Blanket Contract No. 47022158 issued to Toronto Drydock Limited for the provision of dry dock services and related marine repair to increase the total value of the contract by \$100,000 net of all applicable taxes and charges (\$101,760 net of HST recoveries) from \$499,900 net of all applicable taxes and charges (\$508,698.24 net of HST recoveries) to \$599,900 net of applicable taxes and charges (\$610,458.24 net of HST recoveries) by adding \$50,000 net of all applicable taxes and charges (\$50,880 net of HST recoveries) to the last two remaining option years (September 25, 2021 to September 24, 2022 and September 25, 2022 to September 24, 2023).

FINANCIAL IMPACT

The total contract value identified in this report for the realization of the two (2) remaining option year renewals is \$100,000 net of HST, and \$113,000 including HST. The total cost to the City for the realization of the two (2) remaining option years is \$101,760 net of HST Recoveries.

Funding to exercise the third option renewal term in the amount of \$50,880 net of HST recoveries is available in the 2021 Approved Operating Budget for TFS. Funding in the amount of \$50,880 net of HST recoveries to exercise the fourth and final option renewal term will be requested in the 2022 Operating Budget Submission for Fire Services. Additional funding details follow in Table 1.

The cash flow funding requirement for this service is summarized in Table 1.

Table 1: Financial Impact Summary, net of HST Recoveries

Cost Centre / Cost Element	Option Year Three (September 25, 2021 to September 24, 2022)	Option Year Four (September 25, 2022 to September 24, 2023)
FR0038 / 4424	\$50,880	\$50,880
Total for Option Year Three and Four (net of HST Recoveries) \$101,760		

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

DECISION HISTORY

Bid Award Panel adopted item BA96.6 on September 12, 2018 and awarded RFQ No. 8001-18-0198 for Dry Docking and Ship Repair Services to Toronto Drydock Limited: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA96.6>

COMMENTS

TFS utilizes two marine firefighting vessels as part of its all hazard emergency response. The 82' icebreaker/tug "William Lyon Mackenzie" and the 72' former coast Guard vessel "William Thornton". Each vessel is maintained by TFS Marine Engineering staff who are mandated to follow Transport Canada regulations and inspection criteria. At times, both boats may require to be dry docked, where they are brought up onto land for hull or other repairs. As TFS does not have the facilities to do this internally, it has been contracted out.

Contract 47021736 was issued to Toronto Drydock Limited to maintain the City's ferry boats operated by the Parks, Forestry, and Recreation Division. Subsequently, Contract 47022158 was issued to Toronto Drydock Limited to accommodate dry-docking requirements for two (2) fire boats, operated by TFS, using the "piggyback" provision included in Section 8.0 of RFQ 8001-18-0198 for a total amount of \$499,900 (\$508,698.24 net of HST recoveries). The initial term of TFS' contract started on May 2,

2019 and was aligned with the option years as set out in the Contract with Parks, Forestry and Recreation. In early 2020, TFS realized a number of unscheduled Transport Canada mandated repairs to the two (2) fire boats, William Lyon Mackenzie and William Thornton, requiring these vessels to be dry docked and expended the remainder of the previously available contract funds. In order to ensure that sufficient funds are available for the two (2) remaining option year renewal terms and ensure the contract compliance is maintained, the total amendment being requested will increase Contract 47022158 value by \$100,000 net of all applicable taxes and charges (\$101,760 net of HST recoveries) revising the current contract value from \$499,900 to \$599,900 (from \$508,698.24 net of HST recoveries to \$610,458.24 net of HST recoveries). After approval of this amendment, the cumulative value of the contracts for Toronto Drydock Limited will be \$3,572,485 net of all applicable taxes and charges.

TFS does not anticipate any scheduled repairs requiring the services of Toronto Drydock Limited, but seeks to ensure the availability of a contract to facilitate immediate entry to the local dry-dock if an emergency repair should be required through to the end of the contract term.

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SIGNATURE

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