REPORT FOR ACTION

Amendment to Blanket Contract Number 47021569 to G4S Secure Solutions (Canada) Limited for the Provision of Contract Security Services

Date: May 12, 2021
To: General Government and Licensing Committee
From: Executive Director, Corporate Real Estate Management and Chief Procurement Officer
Wards: All Wards

SUMMARY

The purpose of this report is to request authority to amend and increase the value of Blanket Contract Number 47021569 issued to G4S Secure Solutions (Canada) Limited as a result of Request for Proposal (R.F.P.) Number 9101-18-7030 for the provisions of security services. The total amendment being requested is for the amount of $4,675,000 ($3,567,000 for the current term, plus $1,108,000 for the option year), net of all taxes and charges, for future forecasting and to ensure the optional year term remains in compliance, increasing the overall contract value from $19,263,904 to $ 23,938,904, net of all taxes and charges.

This contract is managed by Corporate Real Estate Management and provides security guard services for various City of Toronto ("City") divisions including: Children's Services, Corporate Services, Parks, Forestry and Recreation, Purchasing and Materials Management, Shelter Support and Housing Administration, Toronto Employment and Social Services, and Toronto Water, and additional divisions on an as-needed basis.

The contract has seen extensive use due to the increased need for security services for Shelter, Support and Housing Administration sites, new security guard services for the COVID-19 pandemic response, and an unprecedented amount of new and increased security that was required at various City sites, including respite centres, the Jack Layton Ferry Terminal, and mass immunization clinics. As a result, the contract is overspent. A Purchase Order Amendment is required to bring the contract back into compliance and avoid future over expenditures in the option year term and ensure continued service at City facilities.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, 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), authorize an amendment to Blanket Contract Number 47021569 issued to G4S Secure Solutions (Canada) Limited for the provision of contracted security services in the amount of $4,675,000 net of all taxes and charges ($4,757,280 net of Harmonized Sales Tax recoveries), increasing the overall contract value from $19,263,904 to $23,938,904, net of all taxes and charges ($24,360,229 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The requested amendment to Blanket Contract Number 47021569 is $4,675,000, net of all taxes and charges ($4,757,280 net of Harmonized Sales Tax recoveries), increasing the overall contract value (original award value plus the option year) from $19,263,904 to $ 23,938,904, net of all taxes and charges ($24,360,229 net of Harmonized Sales Tax recoveries). Table 1 provides additional details of the original contract and requested amendment.

Financial implications for 2021, which include the current contract year plus the portion of the Option Year that falls into 2021, in the amount of $4,193,530 net of Harmonized Sales Tax recoveries will be funded in the 2021 Approved Operating Budgets of Corporate Real Estate Management (Cost Centre Group FA100-80, Cost Element 4439). Staff will track costs to support increased services resulting from the ongoing pandemic as part of the 2021 COVID-19 financial impacts for reimbursement through secured COVID-19 support funding.

Financial implications for 2022 will be included for City Council's consideration in the 2022 Operating Budget of Corporate Real Estate Management.

Table 1: Financial impacts of requested contract amendment (net of Harmonized Sales Tax Recoveries)

	Budget Year	Original Value	Requested Amendment	Amended Value
Original Term July 1, 2018 - June 30, 2021	2021	$14,721,933	$3,629,779	$18,351,712
Option Year July 1, 2021 - December 31, 2021		$4,881,016	$563,750	$5,444,767
Option Year January 1, 2022 - June 30, 2022	2022		$563,750	$563,750
Total		$19,602,949	$4,757,280	$24,360,229

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

At its meeting on June 27, 2019, the Bid Award Panel adopted Report BA83.1 - Award of Request for Proposal Number 9101-18-7030 to G4S Secure Solutions (Canada) Ltd. For Contract Security Services.

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA83.1

COMMENTS

In 2018, the City awarded Request for Proposal (R.F.P.) Number 9101-18-7030 to G4S Secure Solutions (Canada) Limited for the provision of contracted security services for a three (3) year period from the date of award with the option to renew for one (1) additional one (1) year period. The contract contains procedures to add additional locations and quantities of security guards in order to respond to the ever-changing security needs of City divisions.

In 2020, due to the rapidly changing situation with the COVID-19 pandemic, an unprecedented amount of new and increased security services was needed at various City sites. Corporate Real Estate Management supported the City's COVID-19 response and provided additional security guard services to new and existing City sites including:

- Five (5) new respite sites for the Shelter, Support and Housing Administration;
- Enhanced security guard coverage required at the Jack Layton Ferry Terminal as required by Transport Canada; and
- Pandemic-related security guard coverage at various existing a new City locations, including mass immunization clinics.

These required additional services have resulted in an over-expenditure of $3,567,000 on the original term of the contract.

Due to ongoing operational demands, Corporate Real Estate Management intends to exercise the option to renew the contract for the option year (from July 1, 2021 to June 30, 2022). It is anticipated that during the option year of the contract (July 1, 2021 to June 30, 2022), the City will continue to require additional security guard staffing to maintain some of the pandemic-related security guard coverage, as well as additional security staffing to assist in the return to work and re-opening of City facilities. The forecasted over-expenditure for the additional security guard services for the option year of the contract is $1,108,000, net of all taxes and charges.

As such staff are requesting that the General Government and Licensing Committee authorize amendments to both the original award value and the option year. The amendment value of $3,567,000, net of all taxes and charges, for current and forecasted over-expenditures, will allow the vendor to continue to provide contracted security services as required to the renewal date of June 30, 2021. The amendment of the option year of $1,108,000, net of all taxes and charges, will allow the vendor to continue to provide contracted security services until the end of the option year (June 30, 2022), at which point the City expects to award a new competitive contract.

Corporate Real Estate Management will continue to ensure the security needs of the City are met, and provide support to the City's COVID-19 pandemic response.

CONTACT

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

Elena Caruso, Manager, Purchasing, Goods and Services, Purchasing and Materials Management, 416-392-7316, Elena.Caruso@toronto.ca

SIGNATURE

Pat Matozzo
Executive Director, Corporate Real Estate Management

Michael Pacholok
Chief Procurement Officer