TORONTO

REPORT FOR ACTION

Amendment to Non-Competitive Bridge Blanket Contract Number 47023833 to Kudlak-Baird for Electrical Maintenance and Repair Work at Various City Locations

Date: October 5, 2021
To: General Government and Licensing 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 from the General Government and Licenscing Committee for the Executive Director, Corporate Real Estate Management (C.R.E.M.) to amend the blanket contract value of the non-competitive bridging contract number 47023833, for Kudlak-Baird. This amendment is required to ensure the continuity of critical services, including electrical maintenance and repair work at various City facilities. The request is to increase the total contract value by $1,250,000, net of all taxes and charges ($1,272,000 net of Harmonized Sales Tax Recoveries), to a total amount of $1,750,000 net of all taxes and charges ($1,780,800 net of Harmonized Sales Tax recoveries), and extend the contract end date for an additional three (3) months.

The initial non-competitive bridging contract was issued in July 2021 for $500,000, to ensure the continuation of critical and emergency electrical maintenance services, while allowing sufficient time for the development and award of a new competitive procurement solicitation. As the City continues its reopening plans, it is expected that demand for electical services will increase as more City locations return to regular use. Furthermore, as normal operations resume throughout the City, there will be a need to ensure normal service levels and regular maintenance services are restored. These factors have resulted in the need to amend and extend the current contract to ensure the continuity of this critical service, and to provide sufficient time to award the new competitive solicitation by the first quarter of 2022.

General Government and Licensing Committee approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Purchasing 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, Purchasing and Materials Management 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 the Executive Director, Corporate Real Estate Management to amend the non-competitive bridging contract number 47023833, to add $1,250,000, net of all taxes and charges ($1,272,000 net of H.S.T. recoveries) to the contract, thereby increasing the contract value from $500,000 to $1,750,000, net of all taxes and charges ($1,780,800 net of H.S.T. recoveries).

FINANCIAL IMPACT

The total estimated value of the contract amendments identified in this report is $1,250,000 net of all taxes and charges ($1,272,000 net of H.S.T. recoveries). This revises the current contract value from $500,000 net of all taxes and recoveries ($508,800 net of H.S.T. recoveries) to $1,750,000 net of all taxes and recoveries ($1,780,800 net of H.S.T. recoveries).

Funding for the requested amendment to the contract is available in the 2021 Council Approved Operating Budget for Corporate Real Estate Management under cost centre FA100-30 and cost element 4424. Future year expenditures will be referred to the City's annual budget process and will be included as part of the 2022 and future year budget submissions for Council consideration.

Cost Centre & GL Code	**Initial Bridging Contract July 2021**	**Amendment to Bridging Contract October 2021 (2021 Budget)**	**Amendment to Bridging Contract October 2021 (2022 Budget)**	**Total**
FA100-30; 4424	$508,800	$700,000	$572,000	$1,780,800
Total Cost				$1,780,800

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2022 budget process.

DECISION HISTORY

At its meeting on July 13, 2016, the Bid Committee adopted item BD 91.7, "Award of Request for Quotation No. 1201-16-5033 to Kudlak-Baird (1982) Limited for Electrical Services to Various Locations for Facilities Management, City of Toronto," granting authority to award the request for quotation for the supply of all labour, materials, equipment, vehicles (including truck charges), products and supervision necessary to provide electrical services including maintenance, emergency and other work as required at various locations within the City of Toronto.
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.BD91.7

COMMENTS

Contract Details

In 2016, Kudlak-Baird was awarded contract number 47020075 ("the contract") to provide critical electrical services at various City locations. The contract was set to expire on July 31, 2021. In early 2021, C.R.E.M. and P.M.M.D. began to develop a new Request for Quotation (R.F.Q.) for electrical services, with the objective of incorporating industry best practices and a standardized service model into a competitive solicitation. Initial plans were to have a new competitive contract in place by July 2021. Due to prioritization of the COVID-19 response efforts and addressing the backlog of procurement requirements created since the onset of the pandemic, C.R.E.M. and P.M.M.D. had to focus resources on immediate operational demands. Consequently, a bridge contract was issued in July 2021 to ensure continuity of critical and emergency electrical services. While this bridge contract provided for emergency and critical services, the continued impact of the pandemic on resources, along with the City's reopening plans and the need to restore normal service levels, have slightly delayed the award of a new competitive contract, and resulted in the need to amend and extend the existing bridge contract. Therefore, C.R.E.M. and P.M.M.D. are seeking Council authority to amend the bridge contract in the amount of $1,250,000, net of all taxes and recoveries ($1,272,000 net of H.S.T. recoveries), to ensure electrical services can be provided at City locations until the new contracts are awarded. The requested amendment value will increase the existing bridging contract to $1,750,000 net of all taxes and recoveries ($1,780,800 net of H.S.T. recoveries), and extend the contract for an additional three (3) months.

The requested increase in value of the contract is consistent with historical contract values and requirements for electricial maintenance services, represents upset limits, and is expected to be sufficient to meet service demands. This increase includes amounts necessary for increased and unknown service requests and calls, preventative maintenance, and State of Good Repair (S.O.G.R.) minor capital replacements, where applicable, as City facilities return to normal use

Kudlak-Baird is familiar with the scope of work and City facilities within this bridging contract and was the low bid meeting the specifications when the initial competitive contract for electrical services was awarded in 2016. Therefore, at this time it is in the best interest of the City to further amend the existing bridge contract to ensure continuity of this critical service.

Status of Upcoming R.F.Q. for Electrical Services

C.R.E.M. and P.M.M.D. have been working closely on developing a new R.F.Q. for electrical services with the goal to enhance the management of this category by ensuring industry best practices and standardized service models are implemented.

Specific outcomes expected to be achieved from this R.F.Q. include:

- Standardized service delivery models
- Maximized value for money across cost and service levels
- Improved supplier performance measures
- Mitigated service risks

A comprehensive sourcing strategy has been developed to support this, which includes an outcome based service model with the objective to reduce costs and to prioritize service based on criticality of facilities and service requirements. The R.F.Q. (tracking number SR3133924627) is currently under development, and is expected to be issued in October 2021. The necessary posting and evaluation periods will then occur, followed by an award recommendation anticipated by the first quarter of 2022.

Compliance with City Policies

The Fair Wage Office has reported that all the vendors included in this report have reviewed and understood the Fair Wage Policy and labour trades requirements at the commencement of the original bridge period, and have agreed to comply fully with the City's Fair Wage Policy.

CONTACT

Marco Cuoco, Director, Business Management, Corporate Real Estate Management Division, 416-397-7338, Marco.Cuoco@toronto.ca

Sabrina Dipietro, Manager, Purchasing Client Services, Purchasing & Materials Management, 416-397-4809, Sabrina.Dipietro@toronto.ca

SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

Michael Pacholok
Chief Procurement Officer, Purchasing and Materials Management