

Amendment to Blanket Contracts 47022096 with EOS Canada Inc. and 47022097 with CBV Collection Services Ltd. for the Collection Services for Provincial Offences Act Fines for Court Services

Date: November 16, 2021
To: General Government and Licensing Committee
From: Director, Court Services and Chief Procurement Officer
Wards: All

SUMMARY

The purpose of this report is to request authority to amend Blanket Contracts 47022096 issued to EOS Canada Inc. and 47022097 issued to CBV Collection Services Ltd. for the provision of Collection Services for *Provincial Offences Act* Fines, increasing the contract values by a total of \$1,100,000 net of all applicable taxes and charges (\$1,119,360 net of HST recoveries):

The amendment is required to address the underestimation of contract values for the provision of collection agency services to support the collection of defaulted fines under the *Provincial Offences Act* (POA) up to March 31, 2023, including all remaining optional renewal terms. The increase in total contract target value is required to process outstanding and anticipated invoices for collection agency services through the life of the contract.

General Government and Licensing Committee approval is required in accordance with Section 71-11.1C of the Toronto Municipal Code Chapter 71 (Financial Control By-law), where the current request exceeds the allowable threshold of \$500,000 net of all applicable taxes and charges.

Approval of the amendment will not result in financial implications to the City as collection agency costs are fully recovered from the debtors as per Section 70.1(1) of the *Provincial Offences Act* (POA).

RECOMMENDATIONS

The Director, Court Services, and the Chief Procurement Officer 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 Director, Court Services to amend Blanket Contracts for the provision of collection services for *Provincial Offences Act* fines, as follows:

a. increase the value of Blanket Contract number 47022096 issued to EOS Canada Inc. by \$510,000 net of all applicable taxes and charges (\$518,976 net of HST recoveries) from \$1,178,702 net of all applicable taxes and charges (\$1,199,447 net of HST recoveries) to \$1,688,702 net of all applicable taxes and charges (\$1,718,423 net of HST recoveries); and

b. increase the value of Blanket Contract 47022097 issued to CBV Collection Services Ltd. by \$590,000 net of all applicable taxes and charges (\$600,384 net of HST recoveries) from \$1,190,216 net of all applicable taxes and charges (\$1,211,164 net of HST recoveries) to \$1,780,216 net of all applicable taxes and charges (\$1,811,548 net of HST recoveries).

FINANCIAL IMPACT

There is no financial impact to the City from the recommendations in this report. Collection agency costs are fully recovered from the debtors as per Section 70.1(1) of the *Provincial Offences Act* (POA).

Funding in the amount of \$1,119,360 net of HST recoveries is included in the 2021 Approved Operating Budget for Court Services in Cost Centre CT-2000. Additional details follow on Table 1:

Table 1: Financial Impact Summary of Recommended Contract Amendment

Supplier Name	Contract Number	Total Amendment Value (net of HST recoveries)
EOS Canada Inc.	47022096	\$518,976
CBV Collection Services Ltd.	47022097	\$600,384
	Total	\$1,119,360

The Chief Financial Officer and Treasurer has reviewed this report and agrees with information included in the Financial Impact section.

DECISION HISTORY

At its meeting of March 27, 2019, the City Council adopted item GL2.11 authorizing the award of contracts to various suppliers for collection services for *Provincial Offences Act* fines resulting from Request for Proposal Number 9138-18-7006.

Amendment to Blanket Contracts 47022096 and 47022097

COMMENTS

Since 2004, Court Services has entered into contracts with third-party collection agencies to support the collection of defaulted fines under the *Provincial Offences Act* (POA). The ability to use collection agencies to enforce defaulted POA fines is provided under Section 165(9) of the POA and Section 240 of the *City of Toronto Act, 2006*. Section 70.1(1) of the POA allows the City to charge back collection agency costs to the debtor as part of the outstanding debt.

Request for Proposal (RFP) Number 9138-18-7006 was issued on November 1, 2018 for the provision of collection agency services to support the collection of defaulted fines under the *Provincial Offences Act* (POA), which resulted in an award to eleven (11) collection agencies and the issuance of eleven (11) blanket contracts, including Contracts 47022096 and 47022097.

Since the contracts have been put in place, City staff have amended the blanket contracts under delegated authority as the collection agencies performance has outpaced the original projection at the time of the contract issuance. To date, the agencies' collection of defaulted fines have exceeded the original collection forecast by City staff. With the current amendment request, the accumulated amendment amount for the aforementioned two (2) blanket contracts have exceeded the Chief Procurement Officer's authority of \$500,000 net of all applicable taxes and charges, and will require the approval of the General Government and Licensing Committee in accordance with Section 71-11.1C of the Toronto Municipal Code Chapter 71 (Financial Control By-law).

CONTACT

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SIGNATURE

Susan Garossino,
Director, Court Services

Michael Pacholok
Chief Procurement Officer