

## **Amendments to Non-Competitive Procurements with Chubb Edwards, Forest City Fire Protection and Graham Alarm Monitoring for Fire and Life Safety Services**

**Date:** March 8, 2022

**To:** General Government and Licensing Committee

**From:** Executive Director, Corporate Real Estate Management; Chief Procurement Officer, Purchasing and Materials Management Division

**Wards:** All

### **SUMMARY**

---

The purpose of this report is to seek authority for the Executive Director, Corporate Real Estate Management to amend the contract value of three (3) non-competitive procurements with fire and life safety vendors providing service to the City of Toronto. The cumulative amendment value requested of all three (3) contracts is \$1,150,000 net of all taxes (\$1,177,938, net of Harmonized Sales Tax (H.S.T.) recoveries).

The contracts were originally established in 2019 to provide temporary coverage of fire and life safety inspection, testing, maintenance and monitoring services for the City of Toronto, following the Auditor General's investigation and recommendations (see item AU13.11) that resulted in several fire and life safety contracts being terminated due to non-compliance with the Ontario Fire Code.

In addition, the City leveraged the contracts to support the COVID-19 response, including assisting with the opening of emergency shelters in other divisions and emergency worker childcare centres; uses which the City could not foresee when the original scope and contract values were established.

Two of the contracts that are the subject of this report, Chubb Edwards, Utc Fire & Security and Forest City Fire Protection Ltd., (Blanket Contract 47022051 and 47022278 respectively) ended on October 31, 2021 and have been replaced with five (5) new competitive contracts, which were awarded as part of a City-wide Request for Proposal (R.F.P.) for fire and life safety inspection, testing and maintenance services. However, billings that came from services rendered prior to October 31, 2021 for these two contracts have resulted in an over-expenditure of their approved value and require the amendments set out in this contract in order to facilitate the final payments and close the contracts.

The third contract with Graham Alarm Monitoring Ltd (Blanket Contract 47022324), which provides fire alarm panel monitoring services, has been extended until June 30, 2022. These services will be required until a new R.F.P. is issued in the second quarter of 2022, with an anticipated contract start date of July 2022. Blanket Contract 47022324 has exceeded its approved value and requires an amendment to ensure continuity of critical services, until the competitive solicitation is awarded.

## **RECOMMENDATIONS**

---

The Executive Director, Corporate Real Estate Management, and the Chief Procurement Officer, Purchasing and Materials Management Division 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 amend:

a. Blanket Contract Number 47022051 issued to Chubb Edwards, Utc Fire & Security to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions by an additional amount of \$307,565 net of HST (\$312,978 net of HST recoveries), increasing the value from \$1,500,000 to \$1,807,565 net of HST (\$1,839,379 net of HST recoveries);

b. Blanket Contract Number 47022278 issued to Forest City Fire Protection Ltd. to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions by an additional amount of \$100,000 net of HST (\$101,760 HST recoveries), increasing the value from \$1,600,000 to \$1,700,000.00 net of HST (\$1,729,920 net of HST recoveries);

c. Blanket Contract Number 47022324 issued to Graham Alarm Monitoring Ltd. to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions by an additional amount of \$750,000 net of HST (\$763,200 net of HST recoveries), increasing the value from \$750,000 to \$1,500,000.00 net of HST (\$1,526,400 net of HST recoveries).

## **FINANCIAL IMPACT**

---

The amendments to Blanket Contract 47022051 for vendor Chubb Edwards, Utc Fire & Security and Blanket Contract 47022278 for vendor Forest City Fire Protection Ltd. are valued at \$407,565 net of all taxes and charges (\$414,738 net of HST recoveries), increasing the combined total contract value from \$3,100,000 net of all taxes, to \$3,507,565 net of all applicable taxes and charges (\$3,569,299 net of HST).

The amendment to Blanket Contract 47022324 for vendor Graham Alarm Monitoring Ltd. for the extended period from January 1, 2022 to June 30, 2022 is valued at \$750,000 net of all taxes and charges (\$763,200 net of HST recoveries), increasing the

total contract value from \$750,000 net of all taxes, to \$1,500,000 net of all applicable taxes and charges (\$1,526,400 net of HST recoveries).

Sufficient funding is available in the 2022 Council Approved Operating Budget for Corporate Real Estate Management for the Fire and Life Safety Services under FA100-30.S and FA100-130.S, GL 4424 and 4431.

The breakdown by contract and vendor is summarized in Table 1 below.

Table 1: Contract Amendment Summary (all values are net of HST recoveries)

Vendor Name and Contract Number	Original Value	Amended Value	Amended Value	Amended Value	Total Requested Additional Value	Total Contract Value
Chubb Edwards, Utc Fire & Security (Contract 47022051)	\$500,000	\$848,678	\$1,272,000	1,526,400	\$312,978	\$1,839,379
	March 22, 2019	February 20, 2020	July 22,2020	April 26, 2021		
Forest City Fire Protection Ltd. (Contract 47022278)	\$500,000	\$1,017,600	\$1,526,400	1,628,160	\$101,760	\$1,729,920
	July 15, 2019	February 20, 2020	July 22,2020	April 26, 2021		
Graham Alarm Monitoring Ltd. (Contract 47022324)	\$250,000	\$478,960	\$763,200		\$763,200	\$1,526,400
	July 31, 2019	June 15, 2020	April 14, 2021			
Total	\$2,500,000	\$3,901,478	\$3,531,760	\$3,154,560	\$1,177,938	\$5,095,699

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 April 26, 2020, the General Government and Licensing Committee adopted GL22.13 "Amendments to Non-Competitive Procurements for Fire and Life Safety Vendors," which provided an update on the City's response to the COVID-19 pandemic and the expanded Fire and Life Safety services, and the increased contract demands and funding required to maintain compliance with the Ontario Fire Code within City Facilities.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.GL22.13>

At its meeting on July 7, 2020, the General Government and Licensing Committee adopted GL14.21 "Extension of Non-Competitive Contracts for Fire and Life Safety Vendors due to COVID-19 Emergency," which provided an update on the City's response to the COVID-19 pandemic and the expanded Fire and Life Safety services, and the increased contract demands and funding required to maintain compliance with the Ontario Fire Code within City Facilities.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.GL14.21>

At its meeting of October 29 and 30, 2019, City Council adopted GL8.8 "Update on Fire and Life Safety at the City of Toronto and Non-Competitive Agreement with Building Reports Canada for the Provision of Fire and Life Safety Tracking and Compliance Software," and received an update on the status of fire and life safety compliance within the City of Toronto, and provided direction to report annually to the General Government and Licensing Committee on the status of the Auditor General's recommendations, and to City of Toronto agencies and corporations to submit information, on an annual basis and for the Fire and Life Safety Program Office to provide Open Data Toronto with the necessary inspection information.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL8.8>

At its meeting of May 21, 2019, the General Government and Licensing Committee adopted GL5.14 "Interim Status Report on Fire and Life Safety," which provided an update on the City's work to address the Council-adopted recommendations put forth by the Auditor General in 2018.AU13.11 "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto," including the establishment of a City-wide Fire and Life Safety Program Office, the development of standard operating procedures, contract improvements, and the promotion of a culture of life safety at the City.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL5.14>

At its meeting of July 23, 2018, City Council adopted AU13.11 "Raising the Alarm: Fraud Investigation of a Vendor Providing Life Safety Inspection Services to the City of Toronto" and issued multiple directions to the General Manager, Facilities Management and other City staff to improve the management and delivery of fire and life safety service at City buildings. In adopting the item, City Council directed the General Manager, Facilities Management to report back to City Council annually on the level of fire and life safety compliance.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.11>

## **COMMENTS**

---

### **Non-Competitive Procurements for Fire and Life Safety Services**

In 2018, Corporate Real Estate Management began to carry out a series of investigations into its third-party fire and life safety service providers, in response to the Auditor General's investigation and recommendations (see item AU13.11). The investigations resulted in the decision to change some fire and life safety service providers. In 2019, Corporate Real Estate Management awarded six (6) emergency non-competitive procurements, which included Chubb Edwards, Utc Fire & Security,

Forest City Fire Protection Ltd. and Graham Alarm Monitoring Ltd., following the termination of vendors that resulted from the investigations. The scope of the non-competitive procurements covered the services provided by past vendors, and provided Corporate Real Estate Management with the necessary time to form the Fire and Life Safety Program Office, that is now tasked with managing fire and life safety in all City of Toronto buildings.

### **Fire and Life Safety Services Supporting the City's COVID-19 Response**

In early March 2020, the Fire and Life Safety Program Office began supporting the City's response to COVID-19, including providing emergency support to City divisions. As a result, vendors Chubb Edwards, Utc Fire & Security and Forest City Fire Protection Ltd. were tasked to work with Toronto Fire Services to convert the community centres into emergency shelters, and to open the emergency worker childcare centres. This additional scope of work was not foreseeable in the original scope of work and exceeded the planned contract value.

Additionally, due to the implementation of public health measures in workplaces resulting from the COVID-19 pandemic, many buildings were unoccupied, delaying certain monitoring tasks. To address the delay and as part of the work to ensure buildings were safe, the scope of the existing monitoring contract with Graham Alarm Monitoring was expanded to include new installations of monitoring equipment in many City buildings which were previously not being monitored.

The expanded scope of work in all three contracts resulted in costs beyond the initial contract value.

### **More Vendor Non-Compliance Identified During COVID-19 response**

In the course of conducting regular inspection and review work, Corporate Real Estate Management found inconsistencies in the inspection documentation from more vendors, triggering the Fire and Life Safety Program Office to conduct an investigation.

The investigation led to the termination of more vendors and the situation necessitated further use of the non-competitive procurement contracts of vendors Chubb Edwards, Utc Fire & Security, Forest City Fire Protection Ltd. and Graham Alarm Monitoring Ltd., to bring the fire and life safety systems of the affected buildings in compliance with the Ontario Fire Code.

### **Conclusion**

The requested amendments to Blanket Contract 47022051 (Chubb Edwards, Utc Fire & Security) and 47022278 (Forest City Fire Protection Ltd.) will bring the contract spend into compliance, and allow the contracts to be closed. The amendment Blanket Contract 47022324 (Graham Alarm Monitoring Ltd.) will allow the City of Toronto to ensure that all City wide buildings are being monitored and that Toronto Fire is able to respond in an event of an emergency. Corporate Real Estate Management and Purchasing and Materials Management Division are working closely to develop an R.F.P. for the service currently provided by Graham Alarm Monitoring Ltd., and it is expected that an R.F.P.

will be issued in the second quarter of 2022, with an anticipated contract start date of July 2022.

The Fire and Life Safety Office continues to centralize and standardize fire and life safety services across the City as part of its Master Fire Program, and in alignment with the City-Wide Real Estate model.

The Fair Wage Office has reported that the vendors included in this report have indicated that they have reviewed and understand the Fair Wage Policy and Labour Trades requirements and have agreed to comply fully.

## **CONTACT**

---

Ryan Duggan, Director, Fire and Life Safety Program Office, Corporate Real Estate Management, 416-338-7283, [Ryan.Duggan@toronto.ca](mailto:Ryan.Duggan@toronto.ca)

Justin Lau, Manager, Purchasing Client Services, Corporate Services and Finance & Treasury Services, Purchasing & Materials Management Division, 416-392-7316, [Justin.Lau@toronto.ca](mailto:Justin.Lau@toronto.ca)

## **SIGNATURE**

---

Patrick Matozzo  
Executive Director  
Corporate Real Estate Management

Mike Pacholok  
Chief Procurement Officer  
Purchasing and Materials Management Division