

Amendment to Blanket Contract Number 47023755 with Lima's Gardens & Construction Inc., for Winter Maintenance Services at Various Fire Stations and Training Locations for Toronto Fire Services Division

Date: May 15, 2023

To: General Government Committee

From: Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to request authority to amend Blanket Contract Number 47023755 issued to Lima's Gardens & Construction Inc., for the supply and delivery of Winter Maintenance Services for Toronto Fire Services (TFS) locations. This amendment is necessary to ensure service continuity of required winter grounds maintenance services at City of Toronto fire stations and training locations to maintain operational readiness.

The total value of the Blanket Contract Amendment being requested is for an additional \$1,796,828 net of all taxes and charges (\$1,828,452 net of HST recoveries), revising the current contract value from \$2,202,025 net of all taxes and charges (\$2,240,781 net of HST recoveries) to \$3,998,853 net of all taxes and charges (\$4,069,233 net of HST recoveries).

To maintain a safe working environment during the winter months, Lima's Gardens provides TFS with various ice and snow management materials and services, such as de-icing compounds like Sodium Chloride (salt) and Calcium Chloride as well as providing snow removal services at the City's 92 fire stations and training facilities. These ice and snow management materials and services are required on a scheduled basis to address typical winter maintenance needs ("Standard Seasonal Requirements"), as well as in response to weather events of unpredictable regularity, such as snowstorms, etc. ("emergency winter response").

Blanket contract number 47023755, a contract with a term of three (3) years with an option to renew for an additional (two) one year option periods, was awarded as one of the six contracts awarded as part of negotiated Request for Proposal (nRFP) Document

2746839371, all in accordance with the terms, conditions and specifications contained in nRFP Number 2746839371. Unfortunately, in the process of reporting on award of Blanket contract number 47023755 arising from nRFP 2746839371 staff inadvertently excluded from the total value, the intended values for the provision of snow management materials and services with respect to the emergency winter response.

To address the major contract shortfall for the remaining 2023/2024 winter season and the two (2) remaining optional renewal terms, TFS is requesting approval to increase the value for blanket contract 47023755 value by an additional \$1,796,828, net of HST, (\$1,828,452 net of HST Recoveries). This modification addresses the increase of 3% required to compensate for inflation for the remainder of the current contract year and the two (2) remaining optional renewal terms, i.e., winter seasons 2024/2025, and 2025/2026.

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

RECOMMENDATIONS

The Fire Chief and General Manager, Toronto Fire Services and Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 71- 11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), authorize the amendment of blanket contract number 47023755 issued to Lima's Garden & Construction Inc. for the supply and delivery of winter maintenance services, by increasing the blanket contract value by \$1,796,828 net of all taxes and charges, (\$1,828,452 net of HST recoveries), revising the current blanket contract value from \$2,202,025 net of all taxes and charges (\$2,240,781 net of HST recoveries) to \$3,998,853 net of all taxes and charges (\$4,069,233 net of HST recoveries).

FINANCIAL IMPACT

The total contract amendment identified in this report is \$1,796,828 net of all applicable taxes and charges (\$1,828,452 net of HST recoveries) which will increase the total contract value from \$2,202,025 net of all taxes and charges (\$2,240,781 net of HST recoveries) to \$3,998,853 net of all taxes and charges, (\$4,069,233 net of HST recoveries).

Table 1 – Blanket Contract Funding Details (all values are net of HST recoveries)

Contract Number	Cost Centre & GL Code	Initial Contract (Awarded June 2021)	Amendment to Contract	Total
47023755	FR0017 & 4413	\$ 1,737,069	\$1,828,452	\$4,069,233

This amendment does not result in any additional expense beyond what the division intended and budgeted to include in the award of blanket contract number 47023755.

Table 2 – Blanket Contract Terms

Contract Term	Fiscal Year	Winter Season	Amount Net of HST Recoveries	Total Amount Net of HST Recoveries
Final Year of three (3) Initial Term	2023	Nov., Dec.	\$ 290,974	\$ 290,974
Final Year of three (3) Initial Term	2024	Jan, Feb, Mar, & Apr	\$ 581,948	
1st Option Term	2024	Nov., Dec.	\$ 155,822	\$ 737,770
1st Option Term	2025	Jan, Feb, Mar, & Apr	\$ 311,643	
2nd Option Term	2025	Nov., Dec.	\$162,688	\$ 474,331
2nd Option Term	2026	Jan, Feb, Mar, & Apr	\$ 325,377	\$ 325,377
Total				\$ 1,828,452

Funding is available in Toronto Fire Services 2023 Approved Operating Budget. Additional funding will be included in Toronto Fire Services' 2024-2026 Operating Budget Submissions. The Division will continue to closely monitor all spending against this contract to ensure the target value is not exceeded. All additional services will be purchased under the same terms and conditions outlined within the original RFQ.

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 on May 5, 2021, the Bid Award Panel adopted item BA134.3 "Award of Ariba Document Number 2746839371 to Various Suppliers for the Supply and Delivery of Winter and Summer Maintenance Services for Various Divisions" awarding the contract to supply TFS' locations with winter and summer maintenance to Lima's Gardens & Construction Inc. for a period of three (3) years with the option to renew for

an additional two (2) one-year option periods from the date of award for a total amount of \$1,707,025 (excluding taxes).

<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA134.3>

COMMENTS

On May 5, 2021, five vendors, including Lima's Gardens & Construction Inc., ("Lima's Gardens") were awarded contracts to provide winter and summer grounds maintenance services at various City properties. Winter services include work such as snow removal and ice management and are required at various City properties including fire stations and training locations. These services are required to ensure the health and safety of those occupying and visiting the properties. This supplier was also awarded a summer service contract under a separate blanket contract.

Blanket contract number 47023755, a contract with a term of three (3) years with an option to renew for an additional (two) one year option periods, was one of the six contracts awarded as part of negotiated Request for Proposal (nRFP) Doc2746839371, all in accordance with the terms, conditions and specifications contained in nRFP Doc2746839371 from 2021-2023 with two one year option periods.

The ice and snow management materials and services provided by Lima's Gardens include such as de-icing compounds like coarse crushed Sodium Chloride, Calcium Chloride, liquid de-icer, other related materials such as salt boxes, plastic snow fencing; as well as providing snow removal services. Lima's Gardens provides ice and snow management materials and services are required on a scheduled basis to address typical winter maintenance needs ("Standard Seasonal Requirements"), as well as in response to severe weather events of unpredictable regularity, such as snowstorms, etc. ("emergency winter response").

In order to maintain a safe working environment during the winter months in respect to such severe weather events, such as the recent major snowstorms, the City requires Lima's Gardens to provide these ice and snow management materials and services both in relation to the Standard Seasonal Requirements, and the Ad Hoc Requirements for the 92 Toronto Fire Services locations (consisting of fire stations and training facilities).

Unfortunately, in the process of reporting on award of the blanket contract number 47023755 to the City's Bid Award Panel (BA134.3) staff inadvertently excluded the value for the expected usage of the emergency winter response and included only the values associated with the ice and snow management materials and services as the Standard Seasonal Requirements.

As a result of the utilization of Lima's Gardens provision of the emergency winter response requirements as required to maintain a safe working environment during the winter months, in light of severe weather events, as well as Standard Seasonal Requirements, there is at present a significant contract shortfall with respect to the current contract year and the two (2) remaining optional renewal terms.

To address the major contract shortfall for the remaining 2023/2024 winter season and the two (2) remaining optional renewal terms, the value of blanket contract 47023755 would need to be increased by an additional \$1,796,828, net of HST, (\$1,828,452 net of HST Recoveries). This increase addresses the 3% price modifications required to address the inflation for the current contract year and the two (2) remaining optional renewal terms, i.e., winter seasons 2024/2025, and 2025/2026.

The Fair Wage Office has reported that Lima's Gardens & Construction Inc., has reviewed and understood the Fair Wage Policy and labour trades requirements at the commencement of blanket contract number 47023755 and have agreed to comply fully with the City's Fair Wage Policy.

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

CONTACT

Arnold Louie, Toronto Fire Services, Manager Facilities & Materials Management 416-338-9071, Arnold.Louie@toronto.ca

Kelly McGarry, Manager, Purchasing Client Services, Purchasing & Materials Management, 416-338-5574, Kelly.McGarry@toronto.ca

SIGNATURE

Matthew Pegg
Fire Chief and General Manager, Toronto Fire Services

Geneviève Sharkey
Chief Procurement Officer