

Non-Competitive Bridge Contract with Kodiak Group Holdings Co. Operating as Work Authority for Various Safety Footwear

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 for the Fire Chief and General Manager, Toronto Fire Services to negotiate and enter into a twelve (12) month non-competitive contract to Kodiak Group Holdings Co. operating as o/a Work Authority ("Work Authority"), for the non-exclusive supply and fitting of various required footwear for employees of multiple specific City of Toronto Divisions in the amount of \$1,951,161, net of all taxes and charges (\$1,985,502 net of HST recoveries), for the period of July 1, 2023 to June 30, 2024 under the same contract terms and conditions set out in RFQ No. 0114-18-0008.

Currently, the City has issued a contract to Kodiak Group Holdings Co. operating as (o/a) Work Authority ("Work Authority"), arising from Request for Quotation No. 0114-18-008 ("RFQ No. 0114-18-0008") for the non-exclusive supply of various safety footwear, occupational footwear, and galoshes for male and female employees of various City of Toronto Divisions ("Safety Footwear Contract"). The existing Safety Footwear Contract with Work Authority is set to expire on June 30, 2023. The specific City Divisions listed in Table 1 ("Footwear Divisions"), continue to require the supply of the various safety footwear, occupational footwear, and galoshes for employees, as specified in the Safety Footwear Contract ("Employee Footwear"). A bridging contract for a 12-month period is required due to delays with preparing and issuing a new corporate competitive solicitation. This amendment will ensure continuity of service and avoid any service interruption concerning the supply and fitting of Employee Footwear until June 30, 2024.

The General Government Committee approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Procurement 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 allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11.1.

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), grants authority for the Fire Chief and General Manager, Toronto Fire Services to negotiate and enter into a contract with Kodiak Group Holdings Co. o/a Work Authority, for the non-exclusive supply and fitting of Various Safety Footwear, Occupational Footwear, and Galoshes for employees for the City of Toronto Divisions, specified in Table 1 of this Report, in the amount of \$1,951,161 net of all taxes and charges (\$1,985,502 net of HST recoveries), for the period of July 1, 2023 to June 30, 2024. the terms and conditions of the contract to be generally in accordance with the current City contract arising from Request for Quotation (RFQ) No. 0114-18-0008, with such necessary amendments to reflect the twelve (12) month term of July 1, 2023 to June 30, 2024, and such other terms and conditions as may be satisfactory to the Fire Chief and General Manager, Toronto Fire Services, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The total potential contract amount identified in this report is \$1,951,161 net of all applicable taxes and charges, \$2,204,812 including all applicable taxes and charges. The total potential cost to the City is \$1,985,502 net of HST recoveries to supply and fit Employee Footwear with respect to all of the City's Footwear Divisions for twelve (12) months from July 1, 2023, to June 30, 2024.

Sufficient funding is available in the 2023 Approved Operating Budget for all the Footwear Divisions in various cost centre(s) under their respective cost element(s). Funding for 2024, for each Footwear Division, will be requested in their 2024 Operating Budget Submissions.

Table 1: Financial Impact Summary of the Recommended Contract (net of HST recoveries)

Division	Cost Centres / Cost Element	2023 (July 1, 2023 to December 31, 2023)	2024 (January 1, 2024 to June 30, 2024)	Total (July 1, 2023 to June 30, 2024)
Toronto Fire Services	FR0019 / 2660, 2665	\$462,408	\$462,408	\$924,815
Parks, Forestry & Recreation	PR-A / 2660	\$135,010	\$135,010	\$270,020

Division	Cost Centres / Cost Element	2023 (July 1, 2023 to December 31, 2023)	2024 (January 1, 2024 to June 30, 2024)	Total (July 1, 2023 to June 30, 2024)
Toronto Paramedic Services	B46700 / 2660, 2665, 2999	\$180,624	\$180,624	\$361,248
Shelter, Support, Housing Administration	(Various) F01122-2665, F01123, F03222, F03223, F03323, F03623, F03523, F01223, F01323, F01523, F04023, F04022, F03823, F01423, F03622, F03623, F03072 / 2660	\$15,276	\$15,276	\$30,552
Public Health	PH 5112, PH5119, PH5029 / 2660	\$3,562	\$3,562	\$7,123
Economic Development & Culture	AH0029 / 2660	\$1,781	\$1,781	\$3,562
Seniors Services & Long-Term Care	D3*041, D3*061, D3*031 / 2660	\$10,176	\$10,176	\$20,352
Children's Services	E0546M / 2660	\$458	\$458	\$916
Toronto Employment & Social Services	C01299 / 4995	\$1,018	\$1,018	\$2,035
Housing Secretariat	H20001 / 2082	\$254	\$254	\$509
Toronto Water	TW2030, TW2040 / 2660	\$1,272	\$1,272	\$2,544
Transit Expansion Office	DB6000 / 2999	\$1,018	\$1,018	\$2,035
Transportation Services	TS1000, TS2000, TS3000, TS4000, TS6000, TS7000, TS800 / 2660	\$47,223	\$47,223	\$94,447

Division	Cost Centres / Cost Element	2023 (July 1, 2023 to December 31, 2023)	2024 (January 1, 2024 to June 30, 2024)	Total (July 1, 2023 to June 30, 2024)
Solid Waste Management Services	SW0000, SW0005, SW0008, SW0009, SW0011, SW0612, SW0661, SW0667, SW0709, SW0715, SW0718, SW0739, SW0752, SW0800, SW0805, SW0810, SW0820, SW0825, SW0830, SW0835, SW0901, SW0908, SW0910, SW1020, SW1030, SW1040, SW1050, SW1060 / 2660	\$75,511	\$75,511	\$151,022
Municipal Licensing & Standards	MS1212, MS1270, MS1340 / 2660	\$8,650	\$8,650	\$17,299
Engineering and Construction Services	ECS810, ECS500, ECS510, EC520, ECS530, ECS540, ECS550, ECS560, ECS610, ECS611, EC620, ECS621, ECS622, ECS623, ECS624, ECS625, ECS640, ECS641, ECS642, ECS643, ECS645, ECS646, EC650, ECS652, ECS660, ECS310, ECS320, ECS330, ECS340, ECS200, ECS210, ECS220, ECS230, ECS240, ECS410, ECS420, ECS430, ECS31, ECS432, ECS440, ECS442, ECS450 / 2660	\$6,029	\$6,029	\$12,059
Toronto Building	BL0001, BL0003, BL0005, BL0006, BL0007, BL0008, BL0022 / 2660	\$9,158	\$9,158	\$18,317

Division	Cost Centres / Cost Element	2023 (July 1, 2023 to December 31, 2023)	2024 (January 1, 2024 to June 30, 2024)	Total (July 1, 2023 to June 30, 2024)
City Planning	UR0001, UR0002, UR0003, UR0004, UR0005 / 2660	\$382	\$382	\$763
Office of Emergency Management	DB3000 / 2660	\$763	\$763	\$1,526
Purchasing & Materials Management	FS0078 / 2660	\$865	\$865	\$1,730
Revenue Services	FS0167 / 2670	\$611	\$611	\$1,221
Corporate Real Estate Management	FA100-30.S / 2660	\$17,808	\$17,808	\$35,616
Fleet Services	FL100 / 2660	\$6,790	\$6,790	\$13,579
Technology Services	IT1001 / 2660	\$1,272	\$1,272	\$2,544
Clerk's Office & Support Services (City Clerk's, Ombudsman, Lobbyist Registrar, Integrity Commissioner, Council)	GV0003, GV0004, GV0005, GV0010, GV0012, GV0013, GV0017, GV0019, GV0030 / 2660, 2999	\$4,070	\$4,070	\$8,141
City Manager's Office	CM0500-04 / 2660	\$509	\$509	\$1,018
Auditor General's Office	AU1000 / 2660	\$153	\$153	\$305
Insurance & Risk Management	FS0111 / 2660	\$102	\$102	\$204
Total				\$1,985,502

This contract is required to meet the city's legislated health and safety obligations.

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

DECISION HISTORY

City Council adopted Item Number GL13.1 at its meeting held on June 29, 2020, authorizing the amendment to the existing contract to Kodiak Group Holdings Co. o/a Work Authority in the amount of \$6,420,496 net of all applicable taxes and charges for the non-exclusive supply and fitting of Various Safety Footwear, Occupational Footwear and Galoshes for male and female employees for the City of Toronto's various Divisions, arising from Request for Quotation (RFQ) No. 0114-18-0008 by increasing the maximum value of the contract including all option years to not exceed \$7,999,416 net of all applicable taxes and charges.

The City Council decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2020.GL13.1>

On September 5, 2018, the City's Bid Award Panel adopted recommendation to award the contract arising from Request for Quotation No. 0114-18-0008 to Kodiak Group Holdings Co. o/a Work Authority for the supply of various Safety Footwear, Occupational Footwear and Galoshes for Male and Female Employees for the City of Toronto's various Divisions without amendment, with a total contract value for all participating City of Toronto Divisions of \$2,477,222 net of all applicable taxes; and including all option years of \$6,420,496 net of all applicable taxes and charges

The Bid Award Panel decision can be found at:

<https://secure.toronto.ca/council/agenda-item.do?item=2018.BA95.1>

COMMENTS

The City currently has a contract issued to Kodiak Group Holdings Co. operating as (o/a) Work Authority ("Work Authority"), arising from Request for Quotation No. 0114-18-008 ("RFQ No. 0114-18-0008") for the non-exclusive supply of various safety footwear, occupational footwear, and galoshes for male and female employees of various City of Toronto Divisions ("Safety Footwear Contract"). The existing Safety Footwear Contract with Work Authority is set to expire on June 30, 2023. The specific City Divisions listed in Table 1 ("Footwear Divisions"), continue to require the supply of the various safety footwear, occupational footwear, and galoshes for employees, as specified in the Safety Footwear Contract ("Employee Footwear").

This existing contract is set to expire on June 30, 2023, and a new contract will not be ready at the date of the expiration due to delays in preparing and issuing a new corporate competitive solicitation. Purchasing and Materials Management Division (PMMD) is requesting more time to finalize the procurement and issue a full 5-year contract to a successful vendor following the end of a Request for Quotation (RFQ) procurement process. This additional time will also be spent reviewing and updating specifications and sample testing.

A bridging contract is required to ensure continuity of service and avoid any service interruption concerning the supply and fitting of Employee Footwear until June 30, 2024,

if a contract is in place prior to the June 30, 2024 date, the bridging contract will be terminated ahead of the one (1) year.

The value of the contract for Work Authority to continue to supply and fit Employee Footwear with respect to all of the City's Footwear Divisions is \$1,951,161, net of all taxes and charges (\$1,985,502 net of HST recoveries) for the 12 month period of July 1, 2023 to June 30, 2024.

PMMD is scheduled to issue the new RFQ to solicit competitive bids in the second quarter of 2023 to ensure a seamless and timely transition to the new contracts no later than June 30, 2024.

The General Government Committee approval is required in accordance with Municipal Code Chapter 195, Purchasing, where the current request exceeds the Chief Procurement 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 allowed under staff authority as per the Toronto Municipal Code, Chapter 71, Financial Control, Section 71-11.1.

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SIGNATURE

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