

Amendment to Blanket Contract 47024584 with The West Egg Group Security Services Inc. for Security Services at Union Station

Date: January 30, 2024

To: General Government Committee

From: Executive Director, Corporate Real Estate Management and Chief Procurement Officer

Wards: 10 - Spadina-Fort York

SUMMARY

The purpose of this report is to request authority to amend Blanket Contract Number 47024584, issued to The West Egg Group Security Services Inc., for security guard services at Union Station.

The amendment is required due to the additional security requirements as a result of the increased space through the Union Station Revitalization Program, the City's commitments to meet a pre-determined level of security outlined in its agreements with the head leasee, and a multi-pronged approach to better respond to vulnerable people.

The total value of the amendment being requested is \$1,599,632 net of all applicable taxes and charges (\$1,627,786 net of Harmonized Sales Tax Recoveries), revising the overall contract value from \$5,335,086 to \$6,934,718 net of all taxes and charges (\$7,056,769 net of Harmonized Sales Tax Recoveries).

General Government 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 taxes and charges.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management and the Chief Procurement Officer, recommend that:

1. The General Government Committee grant authority to the Executive Director, Corporate Real Estate Management to amend Blanket Contract Number 47024584 with

The West Egg Group Security Services Inc. by increasing the total Blanket Contract target value by \$1,599,632 net of all taxes and charges (\$1,627,786 net of Harmonized Sales Tax Recoveries), revising the current Blanket Contract value from \$5,335,086 to \$6,934,718 net of all taxes and charges (\$7,056,769 net of Harmonized Sales Tax Recoveries).

FINANCIAL IMPACT

The total value of the requested amendment to Blanket Contract Number 47024584 is \$1,599,632, net of all taxes, and charges (\$1,627,786 net of Harmonized Sales Tax Recoveries) will increase the contract value from \$5,335,086 net of all taxes and charges (\$5,428,984 net of Harmonized Sales Tax Recoveries) to \$6,934,718, net of all taxes and charges (\$7,056,769 net of Harmonized Sales Tax Recoveries).

Funding for the requested amendment is included in the 2024 Staff Prepared Operating Budget for Corporate Real Estate Management to be considered by Council through the 2024 Budget process. A summary of the financial impact is shown in Table 1 below. Figures reflect net of Harmonized Sales Tax Recoveries.

Table 1: Financial Impact Summary (net of Harmonized Sales Tax Recoveries)

| Cost Centre | GL Code | Description | 2024 | Total |
|-------------|---------|-------------------|-------------|-------------|
| FA2574 | 4439 | Security Services | \$1,627,786 | \$1,627,786 |

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

DECISION HISTORY

At its meeting on August 10, 2022, the Bid Award Panel adopted Item BA200.11 Award of Ariba Document 3408560657 to The West Egg Group Security Services Inc. for Security Guard Services at Union Station for Corporate Real Estate Management, in the total amount of \$2,381,815.78, net of all applicable taxes and charges (\$2,691,452 net of Harmonized Sales Tax Recoveries), for a period of one year with an option in favour of the City to extend the agreement on the same terms and conditions for three separate one year periods.

The total potential contract award including all option years is \$11,260,031 including all taxes and charges and \$9,964,629 net of all applicable taxes and charges. The total potential cost to the City including all option years is \$10,140,006, net of Harmonized Sakes Tax Recoveries.

<https://www.toronto.ca/legdocs/mmis/2022/ba/bgrd/backgroundfile-229146.pdf>

COMMENTS

Background

Union Station is Canada's busiest multi-modal passenger transportation hub, a designated national historic site, and a significant part of Toronto's history and identity. More than a quarter-million people use Union Station daily and its success as the gateway to Toronto's financial core requires commuters and other users of the station to feel safe.

Union Station is owned and operated by two entities, the City and Metrolinx. The City has commitments to meet a pre-determined level of security outlined in its agreements with the head lessee, Osmington Inc., and Metrolinx as part of a reciprocal rights agreement. As such, the security and safety of the station is enhanced with both groups working in partnership along with other critical stakeholders such as Toronto Transit Commission, Toronto Police Services, VIA Police, etc.

The City's portion of security at Union Station is provided by a combination of Corporate Real Estate Management staff (i.e. management and Control Centre Operations), and external contracted services (i.e. front line guard services) provided by The West Egg Group Security Services Inc.

Request for Proposal

On April 20, 2022, Corporate Real Estate Management issued a Request for Proposal, Ariba Document Number 3408560657 for the provision of security guard services at Union Station and subsequently awarded the contract to The West Egg Group Security Services Inc., the highest scoring proponent who met all the criteria outlined in the Request for Proposal. The total value of the contract is \$2,381,816, net of all applicable taxes and charges for a period of one year, with the option to extend the contract for three, separate one-year periods.

Union Station Security Program Enhancements

Security Staffing

Since 2021, there has been an increase in retail and overall space in the station as a result of the Union Station Revitalization Program. Additional security staff were required to provide security coverage to these new areas and to meet commitments outlined in agreements with the head leasee.

Community Safety Team

As part of a multi-pronged approach to better respond to vulnerable people at Union Station, Corporate Real Estate Management, in consultation with Toronto Shelter and Support Services, developed a pilot program involving the use of a Community Safety Team. The pilot program duration was approximately four months, commencing on May 16, 2022 and concluding on September 29, 2022 with positive results.

Given the success of the pilot program, amendments were made to The West Egg Group Security Services Inc.'s Blanket Contract from December 1, 2022 to March 31, 2023, increasing the Blanket Contract value by \$125,476 from \$2,381,816 to \$2,507,292, and from April 1, 2023 to August 31, 2023, increasing the Blanket Contract value by \$374,524 from \$2,507,292 to \$2,881,816, net of all taxes and charges, with all other terms and conditions remaining the same.

The Community Safety Team is comprised of Community Safety Ambassadors dedicated to Union Station and proactively assists those experiencing homelessness. These non-uniformed outreach workers provide a non-enforcement based approach to responding to security incidents. Community Safety Ambassadors are also staffed by Toronto Shelter and Support Services at City shelters.

The Community Safety Ambassadors are a cost-shared service with Metrolinx who reimburses the City for their proportionate costs.

Option Year Renewal

In September 2023, Corporate Real Estate Management exercised the first option renewal year, increasing the overall value of the contract by \$2,453,270 from \$2,881,816 to \$5,335,086, net of all taxes and charges. The validity end date of the Blanket Contract was extended to August 31, 2024.

Continuation of Program Enhancements

Since the implementation of the Union Station Security Program enhancements, security incidents have reduced in key areas directly impacting users of the major transit hub. For example, in November 2023, Corporate Real Estate Management noted a 28 percent decrease in Trespass to Property Act Offences compared to the same time period in 2022. Furthermore, in 2023, the Community Safety Ambassadors conducted 10,695 wellness checks on individuals who may be experiencing homelessness. During colder seasons, the Community Safety Ambassadors conducted an average of 1,160 wellness checks a month.

In order to ensure the continuation of the comprehensive and meaningful enhancements to security services and outreach to the vulnerable population at Union Station until August 31, 2024, the requested amendment of \$1,599,632, net of all taxes and charges (\$1,627,786 net of Harmonized Sales Tax Recoveries) is necessary.

As additions have been made to the Blanket Contract, Corporate Real Estate Management's intends to issue a new Request for Proposal for security services, pending Council approval of the 2024 Staff Prepared Operating Budget.

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SIGNATURE

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