

Amendment to Non-Competitive Bridge Contract 47025369 with Schindler Elevator Corporation for Elevator and Escalator Maintenance and Repairs

Date: March 12, 2024

To: General Government Committee

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

Wards: All

SUMMARY

The purpose of this report is to request authority to amend the non-competitive bridge agreement 47025369 with Schindler Elevator Corporation (Schindler) for elevating devices maintenance services at various City of Toronto locations.

The initial non-competitive bridge contract was issued in January 2024 for Corporate Real Estate Management to ensure the continuation of critical maintenance and repair services to approximately 400 elevators and escalators located across various City of Toronto locations, including Civic Centres, Senior Services and Long-Term Care facilities, Parks, Forestry and Recreation facilities, amongst others. This was required to ensure these services continued while a new competitive solicitation was developed and issued, and until a contract through this competitive process was in place. The new solicitation was issued in mid-December 2023 and has taken longer than anticipated to close and evaluate bids received. The new contract is expected to be awarded and in place on or before July 2024. Therefore, there is a need to amend the current bridge contract to ensure continuity of this critical service.

The total value of the amendment being requested is \$1,500,000 net of all taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries), revising the total value of the bridge contract to \$2,500,000 net of all taxes and charges (\$2,544,000 net of Harmonized Sales Tax recoveries).

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

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, and the 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 contract number 47025369 with Schindler Elevator Corporation, increasing the contract value by \$1,500,000, net of all taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries), thereby revising the contract value from \$1,000,000 to \$2,500,000 net of all taxes and charges (\$2,544,000 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the contract amendment identified in this report is \$1,500,000 net of all taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries). This revises the Corporate Real Estate Management contract value from \$1,000,000 net of all taxes and charges (\$1,017,600 net of Harmonized Sales Tax recoveries) to \$2,500,000 net of all taxes and charges (\$2,544,000 net of Harmonized Sales Tax recoveries).

Funding for the requested amendment to the contract is included in various City of Toronto 2024 approved Operating Budget.

Table 1: Financial Impact Summary of Amendments for Contract 47025369 (net of all taxes and charges)

Contract Number	Division	Cost Centre and GL Code	Amendment to Contract Value	Total Amendment
47025369	Corporate Real Estate Management	FA100-30; 4424	\$745,000	\$2,500,000
	Children's Services	Various, 4407	\$35,000	

Contract Number	Division	Cost Centre and GL Code	Amendment to Contract Value	Total Amendment
	Toronto Water	TW2055 TW2060 TW4022 TW4085 TW6040 TW6050 TW7020 TW7035 TW7050 TW7075 4430	\$140,000	
	Toronto Shelters and Support Services	F01123, F01223, F01323, F01523, F03072, F03323, F03923, FH5351 4430	\$80,000	
	Senior Services and Long-Term Care	D3*061, 4430, 4699	\$180,000	
	Economic Development and Culture	EC040-40 4430 4424, 4699	\$45,000	
	Parks, Forestry and Recreation	PR-CR 4424, 4430	\$250,000	
	Solid Waste Management Services	SW0850- 56, GL 4424 & 4430	\$25,000	

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications.

DECISION HISTORY

At its meeting on November 28, 2018, the Bid Award Panel adopted item BA111.1, "Award of Request for Proposal 6718-18-0180 to Schindler Elevator Corporation for Elevator Maintenance Services at Various City of Toronto Locations." Granting authority to award the Request for Proposal to service the elevating devices of various City of Toronto Divisions at various locations for a fixed term of five (5) years.

<https://secure.toronto.ca/council/agenda-item.do?item=2018.BA111.1>

COMMENTS

Contract and Amendment Details

In 2018, Schindler Elevator Corporation was awarded Request for Proposal 6718-18-0180 and was issued contracts across eight (8) City divisions to provide elevator and escalator maintenance and repairs services at various City of Toronto locations for a fixed five (5) year term.

In August 2022, Corporate Real Estate Management assumed the overall contract and vendor relationship management responsibilities, and the eight (8) contracts and remaining values were collapsed into a single contract to be managed by Corporate Real Estate Management on behalf of these Divisions and the City. This centralized approach improved oversight, contract management and overall service across the portfolio. It also allowed for more efficient contract administration. This consolidated contract expired on December 31, 2023.

Corporate Real Estate Management continues to work through a backlog of procurement requirements as the City transitions out of the COVID-19 pandemic. This backlog, along with scope refinements delayed the commencement and issuance of a new solicitation for these services. This included refining the scope of work from the previous solicitation to ensure it aligns with industry best practices and improves upon lessons learned through the previous contract term. Further to the lessons learned, staff determined transitioning from one contract term to the next at the beginning of a calendar year presents challenges, especially if there is a transition of service providers. These factors resulted in the need to issue a non-competitive bridge contract to ensure business continuity and continued service across City properties once the previous contract expired on December 31, 2023 and until the new contract is in place.

The City issued bridge contract 47025369 to Schindler on January 1, 2024, on the same terms and conditions as the previous contract. The current value of this contract is \$1,000,000, net of all taxes and charges. This bridge contract is required to maintain elevators and escalators in City buildings, ensuring they remain operational and compliant with legislation in order to maintain the continuity of business in facilities across the City. The average monthly expenditure on the preventative maintenance and

repair of roughly 400 elevators and escalators across the entire City portfolio is approximately \$300,000 net of all taxes and charges.

On December 15, 2023, the City released a Negotiated Request for Proposal (nRFP) for elevator and escalator maintenance and repair services across the City's portfolio. The nRFP call closed on February 14, 2024, remaining open slightly longer than planned. Staff within Corporate Real Estate Management and Purchasing and Materials Management are currently conducting a thorough evaluation process with a plan to award to the successful proponent and commence a new multi-year contract on or before the end of July 2024.

Given the revised timeline, and the remaining value on the bridge contract, Corporate Real Estate Management and the Purchasing and Materials Management are seeking authority to amend bridge contract #47025369, adding \$1,500,000 net of all taxes and charges (\$1,526,400 net of Harmonized Sales Tax recoveries) and increasing the current target value of the contract to \$2,500,000 net of taxes and charges (\$2,544,000 net of Harmonized Sales Tax recoveries). This will ensure there is sufficient contract value to provide the necessary ongoing maintenance and repair of elevating devices across the City until the new contract is in place. This amount is an upset limit and only the value that is needed to service the portfolio will be utilized. Schindler is familiar with the portfolio, have provided satisfactory services throughout the previous five (5) year contract, and continues to do so under the same terms and conditions on the current bridge contract. Therefore, it is in the best interest of the City to continue having Schindler service this portfolio until such time that a new competitive contract is awarded.

Compliance with City Policies

The Fair Wage Office has reported that all the vendors included in this report have reviewed and understood the Fair Wage Policy and labour trades requirements at the commencement of the original bridge period, and have agreed to comply fully with the City's Fair Wage Policy.

CONTACT

Marco Cuoco, Director, Business Management, Corporate Real Estate Management, 416-397-7338, Marco.Cuoco@toronto.ca

Kazi Uddin, Manager, Category Management and Strategic Sourcing, Purchasing and Materials Management, 437-226-1094, Kazinahiyah.Uddin@toronto.ca

SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

Geneviève Sharkey
Chief Procurement Officer