

## **Award of Non-Competitive Purchase Order to Chubb Fire & Security Canada Corporation for Security Monitoring Systems and Services at 800 Kipling Ave.**

**Date:** June 17, 2024

**To:** General Government Committee

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

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request authority for the Executive Director, Corporate Real Estate Management, to issue a non-competitive purchase order to process payment for fire monitoring services completed by Chubb Fire & Security Canada Corporation in 2023 at 800 Kipling Ave. in the total amount of \$23,608 net of all taxes (\$24,024 net of Harmonized Sales Tax recoveries).

The initial services were procured under Divisional Purchase Order 3623240 in the amount of \$50,000. However, additional life safety services required to be performed by this supplier resulted in an over-expenditure of the approved value and require a standalone purchase order to facilitate payment of the final two invoices for work already performed. 800 Kipling Ave. is a large commercial property currently occupied by third-party tenants, one of which is the Toronto Transit Commission, who are also co-owners of the property with the City.

As per the City of Toronto's Non-Competitive Procurement Procedure, City General Government Committee approval is required because the City previously issued a non-competitive contract to Chubb Fire & Security Canada Corporation in 2019 with a value exceeding \$500,000.

### **RECOMMENDATIONS**

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The Executive Director, Corporate Real Estate Management and the Chief Procurement Officer, Purchasing and Materials Management Division 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), grant authority to

the Executive Director, Corporate Real Estate Management to execute a Non-Competitive Purchase Order with Chubb Fire & Security Canada Corporation for the supply of fire monitoring services completed at 800 Kipling Ave., for the total value of \$23,608 net of all taxes (\$24,024 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory to the Chief Procurement Officer, and in a form satisfactory to the City Solicitor.

## FINANCIAL IMPACT

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The value of the purchase order identified in this report is \$23,608 net of all taxes (\$24,024 net of Harmonized Sales Tax recoveries).

Funding for the requested purchase order is included in the 2024 Corporate Real Estate Management and Toronto Transit Commission Operating Budgets shown in Table 1 below.

*Table 1: Financial Impact Summary*

<b>City Division or Agency</b>	<b>Cost Centre and GL Code</b>	<b>Description</b>	<b>Total (Net of Harmonized Sales Tax Recoveries)</b>
Toronto Transit Commission	TT0010-4435 6210000000	Contracted Services - Security System	\$13,803
Corporate Real Estate Management	FA2519-4435 3220200000	Contracted Services - Security System	\$10,221
Total			\$24,024

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

## DECISION HISTORY

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At its meeting on November 22, 2023, Bid Award Panel adopted item BA55.1, awarding Ariba Document Number 4160373628 to Markland Property Management Inc. for the Non-Exclusive Provision of Property Management Services at 800 Kipling Avenue for Corporate Real Estate Management.

[Agenda Item History - 2023.BA55.1 \(toronto.ca\)](#)

At its meeting on March 22, 2022, City Council adopted item GL29.7, authorizing an amendment to Blanket Contract Number 47022051 issued to Chubb Edwards, Utc Fire and 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 Harmonized Sales Tax (\$312,978 net of Harmonized Sales Tax recoveries), increasing the value from \$1,500,000 to \$1,807,565 net of Harmonized Sales Tax (\$1,839,379 net of Harmonized Sales Tax recoveries).

[Agenda Item History - 2022.GL29.7 \(toronto.ca\)](#)

At its meeting on April 26, 2021, City Council adopted item GL22.13, authorizing an amendment to Blanket Contract Number 47022051 issued to Chubb Edwards, Utc Fire and Security to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions by an additional amount of \$250,000 net of Harmonized Sales Tax (\$254,400 net of Harmonized Sales Tax recoveries), increasing the value from \$1,250,000 to \$1,500,000 net of Harmonized Sales Tax (\$1,526,400 net of Harmonized Sales Tax recoveries).

[Agenda Item History - 2021.GL22.13 \(toronto.ca\)](#)

At its meeting on July 7, 2020, City Council adopted item GL14.21 and granted authority to amend Blanket Contract Number 47022051 issued to Chubb Edwards, Utc Fire and Security to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions by an additional amount of \$416,000 net of all applicable taxes and charges (\$423,321 net of Harmonized Sales Tax recoveries), increasing the value from \$834,000 to \$1,250,000 net of all applicable taxes and charges (\$1,272,000 net of Harmonized Sales Tax recoveries).

[Agenda Item History - 2020.GL14.21 \(toronto.ca\)](#)

At its meeting of July 23, 2018, City Council adopted 2018.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 authorized the Deputy City Manager, Internal Corporate Services, to negotiate and enter into non-competitive agreement(s) for up to \$650,000 (\$661,440 net of Harmonized Sales Tax recoveries) with third-party supplier(s) for services to conduct fire and life safety audits of City facilities and report back to the appropriate Committee on findings, including required corrective actions. One such contract, blanket contract 47022051, dated March 22, 2019, was awarded to Chubb Edwards, Utc Fire and Security in the amount of \$500,000 net of all applicable taxes and charges (\$508,800 net of Harmonized Sales Tax recoveries) and later increased by a Purchase Order Amendment to \$834,000 net of all applicable taxes and charges (\$848,678 net of Harmonized Sales Tax recoveries).

[Agenda Item History - 2018.AU13.11\(toronto.ca\)](#)

## **COMMENTS**

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### **Background**

The City of Toronto acquired the property at 800 Kipling Ave. on November 1, 2022. The property is a large commercial property currently occupied by third-party tenants, one of which is the Toronto Transit Commission, who are also co-owners of the property with the City.

On October 31, 2022, a non-competitive purchase order valued at \$50,000 was issued to Chubb Fire & Security Canada Corporation for fire and security intrusion monitoring services at 800 Kipling Ave. The purchase order was required due to the immediate need to maintain the incumbent suppliers and ensure business continuity, site security, and the health and safety of the tenants.

Subsequently, in November 2023, Property Management Services Contract 47025366 was awarded to Markland Property Management Inc. for the supply of property management services necessary to maintain the physical property located at 800 Kipling Ave. and meet the City's obligation to its commercial tenants on-premises, which includes lease administration, property accounting, building maintenance, repair, and operations (including cleaning and security) on a 24/7/365 basis.

The agreement between the City and Markland Property Management Inc. was made for an initial contract period of two years from November 1, 2023, to October 31, 2025, with an option in favour of the City to extend the contract on the same terms and conditions for an additional term of up to two separate one-year periods.

### **Requirement for a Non-Competitive Purchase Order**

Prior to the award of the Property Management Services Contract 47025366 to Markland Property Management Inc., two annual invoices for 2023 were issued by Chubb Fire & Security Canada Corporation pertaining to building inspections for 800 Kipling Ave. in the amount of \$10,044 net of all taxes and \$13,564 net of all taxes respectively. Both invoices remain unpaid and exceed the initial Divisional Purchase Order value of \$50,000. In order to pay these two outstanding invoices and close out the vendor, a non-competitive purchase order in the amount of \$23,608 net of all taxes (\$24,024 net of Harmonized Sales Tax recoveries) is required.

With Property Management Services Contract 47025366 now in place, non-competitive contracts for ongoing fire and intrusion monitoring services by Chubb Fire & Security Canada at 800 Kipling will no longer be required. Additionally, Corporate Real Estate Management is in the process of going to market on a competitive Request for Proposal for City-wide fire and life safety services. Once that contract is awarded, it would ensure future continuity of service and replace the divisional need for additional non-competitive procurements for this type of service.

### **CONTACT**

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## **SIGNATURE**

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Patrick Matozzo  
Executive Director, Corporate Real Estate Management

Geneviève Sharkey  
Chief Procurement Officer