

Amendment to Blanket Contracts 47024891 with CBV Collection Services Ltd., 47024892 with Gatestone & Co Inc. and 47024893 with Partners in Credit Inc. for the Collection Services for Provincial Offences Act Fines for Court Services

Date: November 5, 2024
To: General Government Committee
From: Director, Court Services and Chief Procurement Officer
Wards: All

SUMMARY

The purpose of this report is to request authority to amend Blanket Contract 47024891 issued to CBV Collection Services Ltd., 47024892 issued to Gatestone & Co Inc. and 47024893 issued to Partners in Credit Inc. for the provision of Collection Services for Provincial Offences Act Fines.

The amendments are required to address the underestimation of contract values for the provision of collection agency services to support the collection of defaulted fines under the Provincial Offences Act up to March 31, 2025, the first period of the contract. The increase in total contract target value is required to process anticipated invoices for collection agency services through the end of the contract. The following contract amendments are being requested:

1. An amendment to contract 47024891 with CBV Collection Services Ltd. in the amount of \$1,000,000 net of all applicable taxes and charges (\$1,017,600 net of HST recoveries) from \$1,660,400 net of all applicable taxes and charges (\$1,689,623 net of HST recoveries) to \$2,660,400 net of all applicable taxes and charges (\$2,707,223 net of HST recoveries).
2. An amendment to contract 47024892 with Gatestone & Co Inc. in the amount of \$750,000 net of all applicable taxes and charges (\$763,200 net of HST recoveries) from \$1,177,800 net of all applicable taxes and charges (\$1,198,529 net of HST recoveries) to \$1,927,800 net of all applicable taxes and charges (\$1,961,729 net of HST recoveries).
3. An amendment to contract 47024893 with Partners in Credit Inc. in the amount of \$750,000 net of all applicable taxes and charges (\$763,200 net of HST recoveries)

from \$1,152,400 net of all applicable taxes and charges (\$1,172,682 net of HST recoveries) to \$1,902,400 net of all applicable taxes and charges (\$1,935,882 net of HST recoveries).

The total value of the amendments being requested is \$2,500,000 net of all applicable taxes and charges (\$2,544,000 net of HST Recoveries).

Approval of the amendment will not result in financial implications to the City as collection agency costs are fully recovered from the debtors as per Section 70.1(1) of the Provincial Offences Act.

RECOMMENDATIONS

The Director, Court Services, and the Chief Procurement Officer recommend that:

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 Director, Court Services to amend the following Blanket Contracts for the provision of collection services for Provincial Offences Act fines, as follows:

1. Increase the value of Blanket Contract 47024891 issued to CBV Collection Services Ltd. by \$1,000,000 net of all applicable taxes and charges (\$1,017,600 net of HST recoveries) from \$1,660,400 net of all applicable taxes and charges (\$1,689,623 net of HST recoveries) to \$2,660,400 net of all applicable taxes and charges (\$2,707,223 net of HST recoveries).
2. Increase the value of Blanket Contract 47024892 issued to Gatestone & Co Inc. by \$750,000 net of all applicable taxes and charges (\$763,200 net of HST recoveries) from \$1,177,800 net of all applicable taxes and charges (\$1,198,529 net of HST recoveries) to \$1,927,800 net of all applicable taxes and charges (\$1,961,729 net of HST recoveries).
3. Increase the value of Blanket Contract 47024893 issued to Partners in Credit Inc. by \$750,000 net of all applicable taxes and charges (\$763,200 net of HST recoveries) from \$1,152,400 net of all applicable taxes and charges (\$1,172,682 net of HST recoveries) to \$1,902,400 net of all applicable taxes and charges (\$1,935,882 net of HST recoveries).

FINANCIAL IMPACT

There is no financial impact to the City from the recommendations in this report. Collection agency costs are fully recovered from the debtors as per Section 70.1(1) of the Provincial Offences Act.

Funding is available in the 2024 Approved Operating Budget for Court Services in Cost Centre CT-2000 and additional funding for the balance of the term will be included in the 2025 Operating Budget Submission. Additional details follow on Table 1:

Table 1: Financial impact Summary of Recommended Contract Amendment

Supplier Name	Contract Number	Cost Centre	2024	2025	Total
					(Net of Harmonized Sales Tax Recoveries)
CBV Collection Services Ltd.	47024891	CT2000	\$508,800	\$508,800	\$1,017,600
Gatestone & Co Inc.	47024892	CT2000	\$381,600	\$381,600	\$763,200
Partners in Credit Inc.	47024893	CT2000	\$381,600	\$381,600	\$763,200
Total			\$1,272,000	\$1,272,000	\$2,544,000

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting of March 29, 2023, the City Council adopted item GG 2.13 authorizing the award of contracts to various suppliers for collection services for Provincial Offences Act fines resulting from Request for Proposal Ariba Document Number 3389680974.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG2.13>

On July 18, 2024, Gatestone & Co Inc. contract number 47024892 was amended by \$475,000 net of all applicable taxes and charges (\$483,360 net of HST recoveries) increasing the value of the contract from \$702,800 to \$1,177,800 net of all taxes and charges (\$1,198,530 net of HST recoveries).

On July 18, 2024, Partners in Credit Inc. contract number 47024893 was amended by \$450,000 net of all applicable taxes and charges (\$457,920 net of HST recoveries)

Amendment to Blanket Contracts 47024891, 47024892 an 47024893

increasing the value of the contract from \$702,400 to \$1,152,400 net of all taxes and charges (\$1,172,683 net of HST recoveries).

COMMENTS

Since 2004, Court Services has entered into contracts with third-party collection agencies to support the collection of defaulted fines under the Provincial Offences Act. The ability to use collection agencies to enforce defaulted Provincial Offences Act fines is provided under Section 165(9) of the Provincial Offences Act and Section 240 of the City of Toronto Act, 2006. Section 70.1(1) of the Provincial Offences Act allows the City to charge back collection agency costs to the debtor as part of the outstanding debt.

Ariba Document Number 3389680974 was issued on October 12, 2022, for the provision of collection agency services to support the collection of defaulted fines under the Provincial Offences Act, which resulted in an award to collection agencies and the issuance of blanket contracts for two-year fixed-term contract and potential three (3) one-year optional periods.

CONTACT

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SIGNATURE

Dianne Kasias,
Director, Court Services

Geneviève Sharkey
Chief Procurement Officer