

Amendment to Various Blanket Contracts and Purchase Order for Fire and Life Safety, Inspection, Test and Maintenance Services for Fire Alarm, Sprinkler, Standpipe, Special Suppression, Fire Extinguisher, and Fire Hydrants

Date: November 5, 2024

To: General Government Committee

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

Wards: All

SUMMARY

The purpose of this report is to request authority to amend blanket contracts 47023983 issued to Tyco Integrated Fire & Security, 47023985 issued to JD Collins Fire Protection Company, 47023986 issued to Onyx Fire Protection Services Inc., 47023988 issued to Eurotech Safety Inc., 47023987 issued to Greater Toronto Fire Protection Ltd and purchase order 6050050 issued to Building Reports Canada Inc.

The amendments to blanket contracts 47023983, 47023985, 47023986, 47023988 and 47023987 for the provision of inspection, testing, maintenance and repairs to fire alarm, sprinkler, standpipe, special suppression, fire extinguisher, and fire hydrants are required to bring them into compliance and close them out. The contract values were exceeded due to substantial changes to the original scope of work, driven by unforeseen site conditions. This includes poor compliance and record keeping by previous contracted vendors who managed the delivery of fire and life safety service at City buildings prior to the establishment of Safety and Compliance team (formerly the Fire and Life Safety Office) within Corporate Real Estate Management ("C.R.E.M.") in 2020. To address the substantial change in scope, C.R.E.M. and Purchasing and Materials Management developed a new competitive Request for Proposal ("R.F.P.") in 2023. The new R.F.P. included all fire and life safety devices and provided improved contract management tools intended to further improve compliance for the City of Toronto. Staff anticipate the new R.F.P. to be awarded by the end of November 2024.

The amendment to purchase order 6050050 for integrated and standardized fire and life safety report management software is required to extend the contract for one additional

year for C.R.E.M. to complete a review of the market and execute a new agreement for fire and life safety reporting software in 2025.

The cumulative amendment value requested for the five blanket contracts and one purchase order is \$4,362,087 net of all taxes and charges (\$4,438,860 net of Harmonized Sales Tax recoveries), increasing the combined total contract value from \$14,799,714 net of all taxes and charges (\$15,060,189 net of Harmonized Sales Tax recoveries) to \$19,161,801 net of all taxes and charges (\$19,499,049 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 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 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 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 amend:

1. Blanket Contract Number 47023983 issued to Tyco Integrated Fire & Security to provide fire and life safety inspection, testing and maintenance service for Parks, Forestry and Recreation in the amount of \$1,180,115 net of all taxes and charges (\$1,200,866 net of Harmonized Sales Tax recoveries), increasing the contract value from \$3,101,018 to \$4,281,134 net of all taxes and charges (\$4,356,482 net of Harmonized Sales Tax recoveries).
2. Blanket Contract Number 47023985 issued to JD Collins Fire Protection Company to provide fire and life safety inspection, testing and maintenance service for the Emergency Services Divisions in the amount of \$514,548 net of all taxes and charges (\$523,604 Harmonized Sales Tax recoveries), increasing the contract value from \$2,315,397 to \$2,829,945 net of all taxes and charges (\$2,879,752 net of Harmonized Sales Tax recoveries).
3. Blanket Contract Number 47023986 issued to Onyx Fire Protection Services Inc. to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions in the amount of \$1,472,126 net of all taxes and charges (\$1,498,035 net of Harmonized Sales Tax recoveries), increasing the contract value from \$1,808,810 to \$3,280,936 net of all taxes and charges (\$3,338,680 net of Harmonized Sales Tax recoveries).

4. Blanket Contract Number 47023988 issued to Eurotech Safety Inc. to provide fire and life safety inspection, testing and maintenance service for all City of Toronto Divisions in the amount of \$618,061 net of all taxes and charges (\$628,939 net of Harmonized Sales Tax recoveries), increasing the contract value from \$2,440,716 to \$3,058,777 net of all taxes and charges (\$3,112,611 net of Harmonized Sales Tax recoveries).
5. Blanket Contract Number 47023987 issued to Greater Toronto Fire Protection Ltd. to provide fire and life safety inspection, testing and maintenance service for all Civic Centers in the amount of \$327,237 net of all taxes and charges (\$332,997 net of Harmonized Sales Tax recoveries), increasing the value from \$3,705,942 to \$4,033,179 net of all taxes and charges (\$4,104,163 net of Harmonized Sales Tax recoveries).
6. Purchase Order Number 6050050 issued to Building Reports Canada Inc. to provide Fire and Life Safety Tracking and Compliance Software in the amount of \$250,000 net of all taxes and charges (\$254,400 net of Harmonized Sales Tax recoveries), Increasing the value from \$1,427,831 to \$1,677,831 net of all taxes and charges (\$1,707,361 net of Harmonized Sales Tax recoveries) and to extend the agreement from December 31, 2024 to December 31, 2025.

FINANCIAL IMPACT

The total value of five blanket contract amendments and one purchase order amendment identified in this report is \$4,362,087 net of all taxes and charges (\$4,438,860 net of Harmonized Sales Tax recoveries).

Funding for the requested amendments to blanket contract numbers 47023983, 47023985, 47023986, 47023987 and 47023988 have been included in the 2024 Operating Budget, and funding for contract number 6050050 has been included in the 2025 Operating Budget Submission for the Corporate Real Estate Management Division. Additional funding details and a breakdown of the requested amendment by contract and supplier is provided in Table 1.

Table 1: Summary of Requested Amendment by Contract and Supplier (net of Harmonized Sales Tax Recoveries)

Supplier Name	Blanket Contract / Purchase Order No.	Cost Centre / Cost Element	Budget Year	Requested Amendment
Tyco Integrated Fire & Security	47023983	FA100-30.S, FA100-130S / 4424, 4431	2024	\$1,200,866
JD Collins Fire Protection Company	47023985	FA100-30.S, FA100-130S / 4424, 4431	2024	\$523,604

Onyx Fire Protection Services Inc	47023986	FA100-30.S, FA100-130S / 4424, 4431	2024	\$1,498,035
Greater Toronto Fire Protection	47023987	FA100-30.S, FA100-130S / 4424, 4431	2024	\$332,997
Eurotech Safety Inc	47023988	FA100-30.S, FA100-130S / 4424, 4431	2024	\$628,939
Building Reports Canada	6050050	FA100-30.S, FA100-130S / 4424, 4431	2025	\$254,400

The Chief Financial Officer and Treasurer has been advised of the award associated with this program to be considered along with other priorities in future budget processes.

DECISION HISTORY

At its meeting on October 29, 2019, City Council adopted GL8.8 "Update on Fire and Life Safety at the City of Toronto and Non-Competitive Agreement with Building Reports Canada for the Provision of Fire and Life Safety Tracking and Compliance Software" and issued multiple directions to the Executive Director, C.R.E.M. and other City staff to report annually to the General Government and Licensing Committee with a one-page progress matrix that responds to the Auditor General's findings.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.GL8.8>

At its meeting on October 6, 2021, the Bid Award Panel adopted item BA156.3 Award of Ariba Document Number 2991939737 to Various suppliers for the Fire and Life Safety, Inspection, Test and Maintenance Services for Fire Alarm, Sprinkler, Standpipe, Special Suppression, Fire Extinguisher, and Fire Hydrants for Various Divisions.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.BA156.3>

At its meeting on October 30, 2023, the General Government Committee adopted item 2023.GG7.3 to Amendment to various Blanket Contracts for Fire and Life Safety, Inspection, Test and Maintenance Services for Fire Alarm, Sprinkler, Standpipe, Special Suppression, Fire Extinguisher, and Fire Hydrants for Corporate Real Estate Management.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG7.3>

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 directed the General Manager, Facilities Management to report back to City Council annually on the level of fire and life safety compliance. The item can be accessed online at:

COMMENTS

Background

In 2018, the Auditor General presented a comprehensive report and identified recommendations to improve the City's management and delivery of fire and life safety service at City buildings. In order to address some of the recommendations by the Auditor General, C.R.E.M. entered into six contracts for inspection, testing, maintenance and repairs to fire alarm, sprinkler, standpipe, special suppression, fire extinguisher, and fire hydrants and for fire and life safety report management software.

Contracted Services Increased Scope of Work

In 2021, C.R.E.M. issued R.F.P. Document Number 2991939737 for the provision of inspection, testing, maintenance and repairs to fire alarm, sprinkler, standpipe, special suppression, fire extinguisher, and fire hydrants ("Contracted Services"). As a result, five separate blanket contracts were awarded to provide annual fire and life safety inspection services and ensure the City's fire and life safety systems are maintained in compliance with Ontario Fire Code requirements.

The initial scope of work for the five blanket contracts was based on data available at the time for approximately 1,000 buildings. Due to unforeseen site conditions, driven by poor compliance and record keeping by previous contracted vendors who managed the delivery of fire and life safety services at City buildings prior to the establishment of Safety and Compliance team (formerly the Fire and Life Safety Office) in 2020, the scope of work anticipated gaps that would be rectified during the contract life cycle.

During the first year of the new blanket contracts, suppliers identified 67,745 additional devices beyond the initial R.F.P. scope of work, which specified only 76,932 devices. These new devices consisted of fire alarm systems and devices, sprinkler systems, special suppression systems, fire extinguishers and emergency lighting units. Most devices had never been properly maintained or tested and required replacement. The 88% increase in devices significantly increased the pressure on the five contracts due to unplanned repairs and additional annual inspection cost. As the City was legislated to maintain this life safety equipment and become compliant with the Ontario Fire Code, the work conducted increased compliance from 27% in 2017 to over 93% in 2023 and has eliminated the fire and life safety state of good repair backlog.

The amendments to blanket contracts 47023983, 47023985, 47023986, 47023988 and 47023987 for the Contracted Services are required to bring them into compliance and close them out.

With these contracts expiring on December 31st, 2024, and to address the substantial changes in scope experienced, C.R.E.M. and Purchasing and Materials Management developed a new competitive R.F.P. in the first quarter of 2024. The new R.F.P.

included all fire and life safety devices and provided improved contract management tools intended to further improve compliance. Staff anticipate the new R.F.P. to be awarded by the end of November 2024.

Building Reports Canada Contract Extension

In 2019, C.R.E.M. entered into a five-year non-competitive contract with Building Reports Canada ("B.R.C.") to provide integrated and standardized fire and life safety report management software for all external and internal service providers to the City. B.R.C. software provides enhanced record management through a centralized window database for all fire and life safety records, thereby greatly improving the City's ability to audit records and compliance with the Ontario Fire Code. A non-competitive procurement was chosen to mitigate health and safety risks for City staff and the public who use City facilities.

The B.R.C. contract commenced on December 31, 2019, and expires on December 31, 2024. The contract has a one-year extension clause which can be executed under the same terms and conditions of the existing agreement. Staff recommend entering into a one-year extension to allow C.R.E.M. to complete a review of the market, and subsequently execute a new agreement for fire and life safety reporting software in 2025.

The cumulative amendment value requested for the five blanket contracts and one purchase order is \$4,362,087 net of all taxes and charges (\$4,438,860 net of Harmonized Sales Tax recoveries), increasing the combined total contract value from \$14,799,714 net of all taxes and charges (\$15,060,189 net of Harmonized Sales Tax recoveries) to \$19,161,801 net of all taxes and charges (\$19,499,049 net of Harmonized Sales Tax recoveries).

Conclusion

The amendments to the six contracts will permit C.R.E.M. to continue to provide uninterrupted services during the transition to the new contracts. The new R.F.P. is expected to be fully transitioned on January 1, 2025, while the Building Reports Canada contract will be replaced with a new contract before January 1, 2026.

CONTACT

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SIGNATURE

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