

## **Amendment to Blanket Contract #47023934 with Standard Mechanical Systems Limited, for HVAC Preventive Maintenance Services at Various City of Toronto Children's Services Locations**

**Date:** March 24, 2025

**To:** General Government Committee

**From:** General Manager, Children's Services, and Chief Procurement Officer

**Wards:** All

### **SUMMARY**

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The purpose of this report is to request authority from the General Government Committee to amend Blanket Contract number 47023934 issued to Standard Mechanical Systems Limited, for HVAC preventative maintenance services, increasing the contract value by \$200,000 net of all taxes and charges (\$203,520 net of Harmonized Sales Tax recoveries), revising the current contract value from \$533,696 net of all taxes and charges (\$543,089 net of Harmonized Sales Tax recoveries) to \$733,696 net of all taxes and charges (\$746,609 net of Harmonized Sales Tax recoveries). This amendment is required to ensure the continuation of critical HVAC maintenance services at City of Toronto Children's Services locations for the remainder of the current contract and remaining option year, if exercised.

Blanket Contract number 47023934 was awarded as part of Negotiated Request for Proposal (nRFP) Doc2738470765, which led to the creation of three separate vendor contracts, including one with Standard Mechanical Systems Limited. Since the initial award of this contract, Children's Services has experienced a significant increase in unplanned repairs and additional services, requiring changes to the existing contract. This resulted in the need to amend contract number 47023934 with Standard Mechanical Systems Limited in April 2024 to ensure sufficient value was available for the base term of the contract. Since this amendment, one option term (contract year 4) has been exercised to extend the current contract to September 2025, with one remaining option year left. At the conclusion of this contract, staff will issue a competitive solicitation in advance of the current contracts' expiration to ensure a seamless transition to new agreements. The latest requested amendment is required to ensure there is sufficient value on the contract during the option terms to ensure service continuity for the duration of year 4 (to September 30, 2025), and the one remaining option year, if exercised.

General Government Committee approval is required by 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 supplier 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**

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The General Manager, Children's Services, and the Chief Procurement Officer recommend that:

1. The General Government Committee, by Section 71- 11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control By-law), authorize the amendment of contract number 47023934 with Standard Mechanical Systems Limited, for HVAC preventative maintenance services, increasing the contract value by \$200,000 net of all taxes and charges (\$203,520 net of Harmonized Sales Tax recoveries), thereby revising the current contract value from \$533,696 net of all taxes and charges (\$543,089 net of Harmonized Sales Tax recoveries) to \$733,696 net of all taxes and charges (\$746,609 net of Harmonized Sales Tax recoveries).

## **FINANCIAL IMPACT**

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The total value of the contract amendment identified in this report is \$200,000 net of all taxes and charges (\$203,520 net of Harmonized Sales Tax recoveries). This revises the Children's Services contract value from \$533,696 net of all taxes and charges (\$543,089 net of Harmonized Sales Tax recoveries) to \$733,696 net of all taxes and charges (\$746,609 net of Harmonized Sales Tax recoveries).

Funding for the requested amendment to the contract is included in Children's Services 2025 Operating Budget in cost centre grouping CS.A1 under G/L Account's 4411 & 4407, reflected in Table 1 below.

Table 1 - Financial Impact Summary (net of Harmonized Sales Tax recoveries)

<b>Contract Number</b>	<b>Cost Centre &amp; GL Code</b>	<b>Current Contract Value (as of January 2025)</b>	<b>Amendment to Contract (Additional Funds Requested in this Report)</b>	<b>Total New Contract Value (Including Additional Funds)</b>
47023934	CS.A1; 4411 & 4407	\$543,089	\$203,520	\$746,609

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

## **DECISION HISTORY**

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On October 2, 2024, a Purchase Order Amendment to exercise the first option year renewal in the amount of \$107,625 net of all taxes and charges was processed, bringing the contract value to \$533,696 net of all taxes and charges (\$543,089 net of Harmonized Sales Tax recoveries).

On April 24, 2024, a Purchase Order Amendment for an additional \$115,000 net of all taxes and charges was processed, bringing the contract value to \$426,071 net of all taxes and charges (\$433,570 net of Harmonized Sales Tax recoveries).

At its meeting on September 15, 2021, the General Government and Licensing Committee adopted item GL25.6, "Award of Negotiated Request for Proposal Ariba Document Number 2738470765 to Various Suppliers for the Provision of Heating Ventilation and Air Conditioning and Building Automation Systems Maintenance Services at various City of Toronto locations", granting authority to Children's Services to award HVAC preventative maintenance services to Standard Mechanical Services Limited for a term of three (3) years from the date of award for a total amount of \$311,071 (excluding taxes).

[Agenda Item History - 2021.GL25.6 \(toronto.ca\)](#)

## **COMMENTS**

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### **Background**

In September 2021, three suppliers, including Standard Mechanical Services Limited, were awarded contracts to HVAC preventative maintenance services at various City properties. The three components comprising the nRFP were HVAC Maintenance Services; BAS Maintenance Services and HVAC Capital Replacement Services,

Amendment to Blanket Contract Number 47023934

services include proactively monitoring and addressing (fixing or replacing) components that are suspect and dedicated resources to ensure optimal performance levels are achieved which are required at multiple City properties, including City of Toronto Child Care Centres. These services are required to ensure the health and safety of those utilizing the properties.

Since the initial award of this contract, Children's Services has experienced a significant increase in unplanned repairs and additional services, resulting in the need to amend the contract with the Standard Mechanical Systems Limited, contract 47023934 to ensure there was sufficient value on the contract for the initial three year base term of the contract from October 1, 2021 to September 30, 2024. Since then, one option term has been exercised to extend the contract to September 30, 2025. The contract currently encompasses 26 sites, comprising of year-round HVAC maintenance.

### **Blanket Contract Amendment Request**

Although the contract value was amended during the base term to reflect the additional services added to the contract, the values for the option years have not been amended. Therefore, based on the above factors, Children's Services and Purchasing and Materials Management are seeking authority to amend Blanket Contract number 47023934 issued to Standard Mechanical Services Limited, adding \$200,000 net of all taxes and charges (\$203,520 net of Harmonized Sales Tax recoveries) and increasing the current target value of the contract to \$733,696 net of all taxes and charges (\$746,609 net of Harmonized Sales Tax recoveries). This amendment will ensure the continuation of critical HVAC maintenance services at City of Toronto Child Care locations for the remainder of the current contract and remaining option year, if exercised. Staff will issue a competitive solicitation in advance of the current contracts' expiration to ensure a seamless transition to new service agreements.

### **Compliance with City Policies**

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

### **CONTACT**

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## **SIGNATURE**

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Shanley McNamee  
General Manager, Children's Services

Geneviève Sharkey  
Chief Procurement Officer