

## **Amendment to Blanket Contract 47024834 with Graham Alarm Monitoring Ltd., and Non-Competitive Contract with Fire Monitoring of Canada Inc., for the Non-exclusive Supply of All Labour, Equipment, Material, and Supervision Required by CAN/ULC-S561 to Monitor Fire Alarm Systems**

**Date:** June 27, 2025

**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 to amend blanket contract 47024834, issued to Graham Alarm Ltd, for the non-exclusive supply of all labour, material, supervision, and any associated equipment required by the CAN/ULC-S561 standard, covering the installation and services for fire signal receiving centres and systems. This amendment is necessary to bring the contract into financial controls compliance and proceed with its closure.

Over the past several years Corporate Real Estate Management (CREM) has successfully standardized and consolidated all fire monitoring for all City of Toronto Divisions. The centralization initiative has progressed ahead of schedule and has consumed the full fire alarm monitoring contract value prematurely. Contract resources were also required to carryout the unplanned replacement of over 140 remote fire monitoring panels that relied on 3G technology in City facilities. The replacement was necessary due to the nation-wide phase out of the 3G network by Rogers Communication and Bell Canada.

In 2024, the CAN/ULC-S561 standard was updated to include additional requirements which Graham Alarm Monitoring Ltd. was unable to meet. As a result, the City will be ending its contract with Graham Alarm Monitoring Ltd. and will be initiating a new competitive procurement process for the supply of labour, materials, supervision and associated equipment required by the updated CAN/ULC-S561 standard.

This report additionally requests authority to enter into a new non-competitive contract with Fire Monitoring of Canada Inc. for the sum of \$1,000,000 to sustain the City of Toronto's fire and life safety monitoring service until a new competitive Request for Proposal (RFP) can be prepared, issued for bidding, and awarded, which is anticipated to occur in the third quarter of 2026.

City Council 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 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 Executive Director, Corporate Real Estate Management, and Chief Procurement Officer recommend that:

1. City Council, 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 amend Blanket Contract Number 47024834 with Graham Alarm Monitoring Ltd., for the non-exclusive supply of all labour, equipment, material, supervision, and any associated equipment required by CAN/ULC-S561 to monitor fire alarm systems service for the City of Toronto in the amount of \$800,000 net of all taxes and charges (\$814,080 net of Harmonized Sales Tax recoveries), increasing the contract value from \$689,850 to \$1,489,850 net of all taxes and charges (\$1,516,071 net of Harmonized Sales Tax recoveries).
2. City Council grant authority to Executive Director, Corporate Real Estate Management to enter into a non-competitive contract with Fire Monitoring of Canada Inc., for the non-exclusive supply of all labour, equipment, material, supervision, and any associated equipment required by CAN/ULC-S561 to monitor fire alarm systems service for the City of Toronto in the amount of \$1,000,000 net of all taxes and charges (\$1,017,600 net of Harmonized Sales Tax recoveries), on terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management and in a form satisfactory to the City Solicitor.

## **FINANCIAL IMPACT**

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The total value of the blanket contract amendment in this report is \$800,000 net of all taxes and charges (\$814,080 net of Harmonized Sales Tax recoveries).

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

Amendment to Blanket Contract 47024834 with Graham Alarm Monitoring Ltd., and Non-Competitive Contract with Fire Monitoring of Canada Inc., to Monitor Fire Alarm Systems

Cost Centre & Cost Element/WBS Element	Budget Year	Requested Amendment
Capital: CCA259-04 Fire & Life Safety Audits - 2025	2025	814,080
Total	2025	\$814,080

The Contract is currently overspent, and funding identified in Table 1 for the requested amendment to blanket contract number 47024834 is included in Corporate Real Estate Management (CREM)'s 2025 Capital Budget.

Table 2: Financial Impact Summary for Non-Competitive Contract (net of Harmonized Sales Tax Recoveries)

Cost Centre & Cost Element/ WBS Element	Budget Year	Total Net of HST Recoveries Requested
FA100-30.S, FA100-130S / 4424, 4431,	2025	\$ 254,400
	2026	\$ 254,400
CCA259-06 Fire & Life Safety Audits	2025	\$ 254,400
CCA259-06 Fire & Life Safety Audits	2026	\$ 254,400
	Total	\$ 1,017,600

The funding identified in Table 2 for this contract award is included in CREM's 2025 Operating and 2025-2034 Capital Budget and Plan.

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

## DECISION HISTORY

At its meeting of December 21, 2022, Bid Award Panel adopted 2023.BA6.2 "Award of Ariba Document Number 3608242020 to Graham Alarm Monitoring Ltd. for the Non-exclusive Supply of all Labour, Equipment, Materials, Supervision, and any Associated Equipment Required by CAN/ULC-S561 to Monitor Fire Alarm Systems for Various City Divisions" The item can be accessed online at:

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<https://secure.toronto.ca/council/agenda-item.do?item=2023.BA6.2>

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: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.AU13.11>

## COMMENTS

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### **Graham Monitoring Purchase Order Amendment**

On September 16, 2022, the City of Toronto issued a Request for Proposal (RFP Doc3608242020) for the non-exclusive supply of all labour, equipment, materials, supervision, and any associated equipment required by the CAN/ULC-S561 standard, covering the installation and services for fire signal receiving centres and systems to monitor fire alarm systems for the City of Toronto.

Graham Alarm Monitoring was the highest scoring proponent as determined through the evaluation process. The contract was awarded for a period of three (3) years, with an option to extend the agreement on the same terms and conditions for an additional two (2) years. The initial three (3) year term is from January 1st, 2023, to December 31, 2025, with an initial term contract value of \$689,850.

Over the past several years CREM has successfully standardized and consolidated all fire monitoring for all City of Toronto Divisions. The centralization initiative is ahead of schedule and has consumed the full contract value which is included in the option period funding for the contract. The consolidation process identified a significant number of facilities covered by the scope of the contract without sufficient fire alarm monitoring as required by the Ontario Building Code, which references CAN/ULC-S561. The installation of monitoring systems at these sites represents additional scope that resulted in unanticipated spending pressure on the contract.

In 2023, Rogers Communication and Bell Canada announced 3G networks will be phased out in 2025. This necessitated in the unplanned replacement of over 140 remote fire monitoring panels used in City of Toronto buildings. The 140 monitoring panels which relied on the 3G network could not be upgraded to other networks and were past their useful life. The unplanned replacement project resulted in a \$350,000 unplanned expense on the contract.

CREM has also been working with other City Divisions and Graham Alarm Monitoring Ltd., to achieve compliance with the Ontario Fire Code, and specifically the

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requirements of CAN/ULC-S561. Through this initiative, fire alarm monitoring systems were installed at over 110 additional City properties and existing deficiencies were rectified at over 200 locations. The new installations and deficiency repairs were required to address legacy issues with the City of Toronto's non-compliant fire monitoring infrastructure. The cost of these new installations and corrections has been higher than anticipated.

As part of the scope of its current contract, Graham Alarm Monitoring Ltd. was also engaged to conduct annual CAN/ULC-S561 compliance inspections, which has expedited the City's improvements in compliance. Moving forward, CREM is transitioning to an insourced model for work related to compliance inspections, which aims to reduce future costs and provide enhanced compliance.

### **Fire Monitoring of Canada Non-Competitive Award**

In late 2024, the CAN/ULC-S561 standard was amended to require that monitoring stations have a second, fully independent monitoring location. Graham Alarm Monitoring Ltd. was unable to meet the requirements of updated CAN/ULC-S561 and was forced to subcontract the monitoring services to a third-party monitoring station and wind down their direct operations.

The third-party monitoring station has not met the City's requirements and the City has provided Graham Alarm Monitoring Ltd. with a notice of termination. Staff is seeking to engage Facilities Monitoring of Canada as an interim service provider while the current contract is sunset. Facilities Monitoring of Canada was the second-highest scoring qualified proponent under RFP Doc3608242020 - through which Graham Alarm Monitoring Ltd. was engaged and has been reviewed and approved by staff as compliant with the amended CAN/ULC-S561 standard.

Fire Monitoring of Canada has demonstrated professional qualifications, has the capability and capacity to manage the City of Toronto's monitoring requirements and is able to maintain the pricing submitted as part of the competitive procurement two years ago. Staff recommend that Fire Monitoring of Canada be awarded a Non-Competitive Procurement Contract for a two (2) year term to allow CREM to execute and award a new competitive Request for Proposal for City wide fire and life safety monitoring service.

### **Conclusion**

This amendment will bring the current monitoring contract into financial controls compliance and the contract will subsequently be closed following the termination of Graham Alarm Monitoring Ltd. The award of the Non-Competitive contract to Fire Monitoring Canada Inc. will ensure that the City of Toronto's fire and life safety system continue to be monitored, as legislated by the Ontario Fire Code and can provide immediate notice to Toronto Fire Service in the event of an emergency.

The Fair Wage Office has reported that FIRE MONITORING CANADA INC. has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

## **CONTACT**

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## **SIGNATURE**

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Patrick Matozzo  
Executive Director, Corporate Real Estate Management

Geneviève Sharkey  
Chief Procurement Officer