



Vendor Award: Provision of Security and Fire Watch Services

Item 6

September 8, 2023

Building Investment, Finance and Audit Committee

Report: BIFAC:2023-91R

To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Acting Chief Operating Officer

Date: September 6, 2023

PURPOSE:

The purpose of this report is to seek the BIFAC and the Board of Director's (the "Board") approval to award a contract for the provision of third-party security services throughout the Toronto Community Housing ("TCHC") and Toronto Seniors Housing Corporation ("TSHC") portfolio based on the outcome of Request for Proposal ("RFP") 23062.

BIFAC approval is required for this contractor award as it exceeds the \$2.5 million financial approval limit of TCHC's Procurement Award Committee ("PAC"), and Board's approval is required as it exceeds the \$5M financial approval limit of the BIFAC.

RECOMMENDATIONS:

It is recommended that the BIFAC approve and recommend that the Board:

1. Approve the award of work to Star Security Inc. for up to **\$41,136,500.00** (exclusive of taxes) for security services and fire picket services at various TCHC and TSHC locations for a term of up to five years (three years with the option of two 1-year contract extensions at

TCHC's discretion) based on the outcome of Request for Proposal ("RFP") 23062; and

2. Authorize the appropriate staff to take the necessary actions to give effect to the above recommendation.

REASONS FOR RECOMMENDATIONS:

The Community Safety Unit ("CSU") relies on a third-party security vendor to provide provincially licensed security guards to perform access control and fire watch duties at buildings throughout the TCHC and TSHC portfolios.

- Access control guards are charged with monitoring access, providing a visible uniformed presence in the lobby/common area of buildings, conducting occasional patrols and escalating any incidents to the CSU for response by Special Constables. In the period of 2017-2022, the CSU spent from a low of \$1 million (2018) to a high of \$11 million (2019), with an average spend of \$7.4 million per year.
- Fire watch guards are legislatively mandated, and are deployed to ensure the safety of residents when a fire protection system, or its components, at any building is compromised or malfunctioning. These services have been notoriously difficult to predict and in the period of 2017-2022, the CSU spent from a low of \$1 million (2018) to a high of \$3.4 million (2019), with an average spend of \$2 million per year.

In this RFP, key holder services were separated out to allow Facilities Management ("FM") to manage their unique security requirements and scope of work, and to provide the best value and forecasting in line with capital repair needs and funding.

At the start of 2023, the CSU commitment for third party security was approximately 295,000 hours annually (approximately \$10 million) in access control coverage, and a further 70,000 hours annually (approximately \$2 million) in fire watch coverage.

Through a detailed analysis, a number of reductions were identified, amounting to a 33% reduction in the existing access control guard deployment, reducing the CSU's commitment to 200,000 hours annually, or approximately \$6.6 million at present billing rates. These savings have been

built into RFP 23062. Further savings will be realized as a result of the proponent's billing rate, a 10% reduction from the current vendor, which the CSU intends to use to support the allocation of guards to buildings in need.

RFP 23062 was issued on April 17, 2023 and closed June 16, 2023. Submissions were evaluated through a three stage process to determine qualified vendors based on mandatory requirements and pricing. Through the evaluation process of the RFP submissions, Star Security Inc. was the lone successful proponent. The current vendor will continue to provide service until the new contract is in place.

Overall, Star Security Inc.'s submission satisfied all mandatory requirements and surpassed the standard required to permit consideration of its pricing proposal. The recommendation is based on awarding the work per the RFP requirements.

The Procurement Award Committee approved the recommendation to award the work to Star Security Inc. at its meeting of August 17, 2023, subject to BIFAC and Board approval. At that time, the Committee took note of the following considerations:

- The award is within reasonable and acceptable range for the scope of work; and
- The recommended proponent has confirmed they have the capability and capacity to deliver the scope of work.

NOTIFICATIONS:

- Upon BIFAC's approval of the Vendor Award, and before the sitting of the TCHC Board of Directors on October 27, 2023, TCHC will provide notice to Allied Universal and Star Security of the intent to proceed with Star Security as TCHC's vendor of Record for Static and Fire Watch Security as of November 15, 2023.
- This notice is necessary to support the efficient transition of third party security services while ensuring minimal impact on service delivery to TCHC tenants and staff.

IMPLICATIONS AND RISKS:

The CSU will lead a transition team with the proponent to ensure a seamless changeover and minimizing impact on our residents. This team will ensure

Star Security Inc. complies with the requirements and scope of work set out in RFP 23062.

The CSU will be further developing a process in order for TCHC to successfully realize and maintain the 95,000 hour reduction in third party security that includes a threat risk assessment and a review of guard deployment bi-weekly to ensure the coverage is still reasonable, necessary and cost effective (with exceptions related to emergent circumstances).

CSU continues to modify the allocation of guards, placing more reliance on statistical data and risk assessments as the primary determinant of where and when coverage is allocated, in order to rationalize, reduce and redeploy access control guards to other buildings/communities as needed.

SIGNATURE:

“Nadia Gouveia”

Nadia Gouveia
Acting Chief Operating Officer

ATTACHMENT:

Confidential Summary of Submissions

Attachment 1:

Reason for Confidential Attachment: Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.

STAFF CONTACT:

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