

July 10, 2015

**ACTION REQUIRED**

To: The Board of Governors of Exhibition Place

From: Dianne Young,  
Chief Executive Officer

Subject: **Agreement for Thermal Insulation Repairs**

**Summary:**

This report recommends the Board enter into a non-exclusive agreement with Furcon Environmental Inc. for one year commencing from the date of award to June 30, 2016 for the supply all labour material and equipment necessary for the provision of Mechanical Thermal Insulation Repairs/Insulation and Related Works at Exhibition Place, as and when required, with an option to extend for an additional three (3) one-year periods, subject to previous performance and Exhibition Place budget availability/approval.

The Operations Department relies upon outside contractors to provide specialized thermal insulation and related work at Exhibition Place.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Materials Management Division (PMMD) for the provision of Mechanical Thermal Insulation Repairs/Insulation and Related Works at Exhibition Place. The Furcon Environmental Inc. quotation is the overall lowest acceptable bid received in compliance with all requirements.

**Recommendation:**

**It is recommended that the Board enter into agreement with Furcon Environmental Inc. for a period of one year, with the option to extend for an additional three (3) one-year periods, on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the Chief Executive Officer and City Solicitor.**

**Financial Impact:**

The projected annual expenditure for the supply all labour material and equipment necessary for the provision of Mechanical Thermal Insulation Repairs/Insulation and Related Works is \$17,340.00 and is provided for in the 2015 Operating Budget, and will be provided for in the 2016, 2017, and 2018 Operating Budgets.

**Decision History:**

The Exhibition Place 2014-2016 Strategic Plan has a Financial Goal to *maintain a positive operating financial performance across Exhibition Place and all its businesses, effectively monitoring costs and revenues*, and as a Strategy to support this Goal *we will seek efficiencies with the public funds under our control and continue to evaluate our provision model to ensure that services offered are best provided either internally or externally*.

At its meeting of August 5, 2011, the Board approved a service agreement with Icon Insulation for provision of Mechanical Thermal Insulation Repairs/Insulation which expired on June 30, 2015.

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Issue Background:

Exhibition Place uses the services of one contractor to supply all labour material and equipment necessary for the provision of Mechanical Thermal Insulation Repairs/Insulation and Related Works at Exhibition Place in the various building. The existing agreement for these services expired on June 30, 2015.

Comments:

On May 28, 2015, Exhibition Place through the City of Toronto Finance Department, Purchasing and Materials Management Division (PMMD), issued an RFQ for the non-exclusive provision of Mechanical Thermal Insulation Repairs/Insulation and Related Works, commencing upon award to June 30, 2016, with the option to extend for three additional one-year periods.

For comparative and evaluation purposes the RFQ listed projected hours of service and required bidders to apply rates. In addition, bidders were also required to provide percentage mark-up over invoice costs for various materials, percentage discounts off specific Manufacturers' current published price lists and were asked to also indicate if their bid offered products/services with environmental benefits outside of any specifications called for in the RFQ.

The RFQ closed on June 12, 2015 with two (2) bids received from Furcon Environmental Inc. and Icon Insulation Inc.

Based on the pricing received and financial analysis, the one-year evaluated bid total price, along with the option year prices, excluding HST were as follows:

	From date of award to June 30, 2016 Bid Price (excluding HST)	Optional Years		
		1 YEAR	2 YEAR	3 YEAR
		% Increase	% Increase	% Increase
Furcon Environmental Inc.	<b>\$17,340.00</b>	5%	5%	5%
Icon Insulation Inc.	<b>\$26,050.00</b>	2.5%	2.5%	2.5%

The Furcon Environmental Inc. quotation is the overall lowest acceptable bid received in compliance with all requirements.

Staff have reviewed the rates quoted and consider them to be fair and reasonable. Accordingly, staff are recommending entering into an agreement with Furcon Environmental Inc.

The City of Toronto Fair Wage and Labour Trades Office confirms that Furcon Environmental Inc. is in compliance with the Fair Wage and Labour Trades requirements for this work.

Furcon Environmental Inc. was founded in 1995, and their office is located in Mississauga, Ontario. They specialize in asbestos removal, mould remediation, environmental demolition, environmental abatement and insulation. Their references include City of Toronto, located in Toronto, Ontario., Toronto Water, located in Toronto, Ontario., and Peel School, located in Peel, Ontario.

The substantial terms of the agreement will be as follows:

- (a) Term: One year commencing from the date of award to June 30, 2016, with the option to extend for an additional three (3) one-year periods subject to satisfactory performance review.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Assignment: The agreement between the Board and Furcon Environmental Inc. shall not be assigned to Furcon Environmental Inc. without the consent of the Board.
- (d) Insurance/Indemnity: Furcon Environmental Inc. shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days' notice of any intention to cancel or not to renew the policy. United shall indemnify the Board and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the negligent acts or omissions of Furcon Environmental Inc., or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment.
- (e) Union Obligations: Furcon Environmental Inc. shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.

Other Commercial Terms: Such other terms and conditions as contained in the Request for Quotations or as required by the Chief Executive Officer and City Solicitor.

#### Contact

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