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TO:	CHAIR AND MEMBERS COMMUNITY and PROTECTIVE SERVICES COMMITTEE MEETING ON OCTOBER 7, 2013
FROM:	LYNNE LIVINGSTONE MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN AND FIRE SERVICES
SUBJECT:	DILLON CONSULTING CONTRACT

RECOMMENDATION
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That, on the recommendation of the Managing Director of Neighbourhood, Children and Fire Services, with the concurrence of the Deputy City Treasurer, the following actions **BE TAKEN**:

- a) Dillon Consulting Ltd. (DILLON), 235 Yorkland Blvd., Suite 800, Toronto, Ontario, M2J 4Y8, **BE AUTHORIZED** to carry out the additional work required to complete the review and development of options for a sustainable model of service delivery at an upset total amount of \$140,000 (excluding H.S.T.), noting that Dillon has completed work to date as awarded in accordance with Section 15.3 of the City of London’s Procurement of Goods and Services Policy;
- b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase; and,
- c) Approval hereby given **BE CONDITIONAL** upon the Corporation having a purchase order relating to the subject matter of this approval.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None

BACKGROUND
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Further to the 2013 budget approval process, Council approved the following motion on February 28 with respect to the 2013 Fire budget:

- That the following actions be taken with respect to the London Fire Service’s net budget:*
- a) the London Fire Services’ net budget increase **BE LIMITED** to 1%, or \$540,028, to account for the current OMERS obligation and other minor inflationary increases; it being noted that the budget, as submitted, reflects a potential increase of 7.7%, or \$4.2 million, primarily as a result of the London Professional Fire Fighters Association’s request for salary and benefit increases as part of the current interest arbitration; it being further noted that the request is deemed to be both unaffordable and unsustainable for the City of London taxpayers, and in light of the current state of the economy and the current consumer price index of 0.8% (year over year for statistics Canada January 25, 2013);*
  - b) the Fire Chief **BE DIRECTED** to develop options for Council’s consideration regarding a more sustainable model of service delivery, including potential service reductions, and that the results be included as part of the 2014 draft budget submission; and,*

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c) *the Managing Director Corporate Services and City Treasurer, Chief Financial Officer **BE DIRECTED** to provide one-time financing, to ensure current levels of service delivery for 2013.*

With respect to clause b, Civic Administration engaged the services of Dillon Consulting at an upset cost of \$90,000 to complete a review of the current model of delivery of the London Fire Department and the development of options for a more sustainable model of service delivery by Fall 2013. Given the specialized service nature of the Fire Department, this project required specialized knowledge, skills and experience as it pertained to the various alternate service delivery models that can be deployed for Fire Services within the context of the Fire Protection and Prevention Act, collective agreement and ultimately the direction of the Ontario Fire Marshall. The project was awarded to Dillon Consulting pursuant to section 15.3 of the City of London’s Procurement of Goods and Services Policy.

Dillon Consulting has extensive experience in completing fire service reviews, fire master plans and station location assessments for a variety of municipal clients across Canada. Dillon Consulting has developed a unique risk based approach for fire service delivery and is working with various fire departments in Ontario at this current time to address the development of sustainable models of service delivery. Utilizing and enhancing the models they have already developed, Dillon is able to uniquely support the City of London in the development of alternate service delivery models in the timelines we require.

The project is on track to report back to Council this fall, however, Civic administration has determined that additional work is required to complete this project in order to provide a complete analysis and set of options. In order to complete this work, the total cost is now estimated to be \$140,000. Work to date on this project has not yet exceeded the \$90,000 in the current approved contract; however, the full value of the contract has been committed.

Therefore, in accordance with section 15.1 (c) of the City’s Procurement of Goods and Services Policy, Council approval is now required as the cost to complete the work is estimated to exceed \$100,000.

<b>FINANCIAL IMPACT</b>
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Funding to support the total cost of \$140,000 for this project has been identified within the approved 2013 Fire Operating Budget.

RECOMMENDED BY:	CONCURRED BY:
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LYNNE LIVINGSTONE MANAGING DIRECTOR NEIGHBOURHOOD, CHILDREN & FIRE SERVICES	MIKE TURNER DEPUTY CITY TREASURER

- C.     Chief John Kobarda, Fire Services  
       Anna Lisa Barbon, Financial & Business Services  
       John Freeman, Manager Purchasing & Supply