



## STAFF REPORT ACTION REQUIRED

### Purchase Order amendment to Sole Source Purchase Order 6028188 – For Contract Cleaning Services at Union Station.

<b>Date:</b>	December 16, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	Director, Facilities Services Director, Purchasing and Materials Management
<b>Wards:</b>	Ward 28
<b>Reference Number:</b>	[The City is developing a new tracking system for reports. City Clerk's Office staff will use this section for the numbers. You may also use this section for report reference numbers that you use in your own division.]

#### SUMMARY

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The purpose of this report is to obtain Council approval for an amendment to the sole source Purchase Order 6028188 for Facilities and Real Estate with Impact Cleaning Services Ltd.

The current Purchase Order was established to cover contract cleaning services at Toronto's Union Station from to May 2009 to September 2009.

#### RECOMMENDATIONS

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**The Director of Facilities Services and the Director of Purchasing and Materials Management recommend that:**

1. City Council authority be granted to amend Sole Source Purchase Order 6028188 to Impact Cleaning Services Inc. for the supply of contract cleaning services at Union Station from \$442,857.00 net of GST by the amount of \$704,000.00 net of GST to a revised total value off \$1,146,857.00 net of GST and also extend the expiry date to May 31, 2010.

## Financial Impact

The amendment to the current Purchase Order 6028188 for the extended period from October 1, 2009 to May 31, 2010 results in an increase of \$704,000.00 net of GST.

The estimated cash flows (net of GST) are as follows:

<b>October 1, 2009 to December 31, 2009</b>	<b>January 1, 2010 to May 31, 2010</b>	<b>Total</b>
\$264,000.00	\$ 440,000.00	\$704,000.00

The contract costs shown above represent the estimated expenditures from October 1, 2009 to May 31, 2010. Funds for October 1, 2009 to December 31, 2009 are available in the Approved 2009 Facilities and Real Estate Operating Budget and funds for January 1, 2010 to May 31, 2010 are available in the Recommended 2010 Facilities and Real Estate Operating Budget in cost centre FA0650 in the cost element 4415. Expenditures are recoverable from Union Station tenants.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agrees with the financial impact information.

## DECISION HISTORY

The Purchasing and Materials Management Division (PMMD) issued Purchase Order 6028188 through the Sole Source Request process for the supply of contract cleaning services at Toronto's Union Station from May 1, 2009 to September 30, 2009.

The contract needs to be extended to May 31, 2010, in order to allow sufficient time to issue and process an RFP for the provision of contract cleaning services at Union Station. A successful vendor is projected to be in place by June 1, 2010.

## ISSUE BACKGROUND

In May 1, 2009, the City of Toronto assumed responsibility for Custodial Services at Union Station. Because of labour relations contractual issues pertaining to successor rights, no pre-planning changes could take place, and the status quo had to be maintained until the takeover date of May 1, 2009.

Custodial Services at Union Station have historically been provided with a mixed model of in-house and contracted services. It is our intention to maintain this model of service in order to maximize flexibility of service delivery and minimize costs.

Impact Cleaning Services Ltd. was the existing contractor, and as such, has been retained by the City of Toronto (as at May 1, 2009) in order to provide continuity of service

delivery, until a new contract was issued, originally expected to be in place by September 30, 2009. Due to the recent labour disruption (CUPE Local 79 and 416), the September 30<sup>th</sup> deadline was not achieved. The Facilities and Real Estate Division request sufficient time to issue a pre-qualification call and subsequent RFP since the City has not been involved with a previous competitive call for this location.

The current expenditure and future requirements will be \$704,000.00 net of GST, which exceeds the threshold of \$500,000.00 that Purchasing and Materials Management Division is allowed to award.

## COMMENTS

Since May 1, 2009, Impact Cleaning Services Ltd. has provided excellent service and continues to meet the needs of our clients at Union Station. The current quoted price by Impact Cleaning Services Ltd., has been reviewed by Custodial Services staff, and is considered to be fair and reasonable.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Facilities Services have a critical requirement to provide continuity of cleaning services at Union Station.

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## SIGNATURE

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