



STAFF REPORT ACTION REQUIRED

Purchase Order Amendments - Contracts 47014512, 47014081 and 47015602 for the Provision of Custodial Services

Date:	April 23, 2013
To:	Government Management Committee
From:	Chief Corporate Officer Director, Purchasing and Materials Management Division
Wards:	All
Reference Number:	

SUMMARY

City Council directed staff via GM12.21 to report back on how to address health and safety issues in custodial services contracts. Staff have not issued new procurement calls for custodial services as they wanted to ensure that Council approved their recommended approach to health and safety. Staff submitted EX31.21, Quality Jobs, Living Wages and Fair Wages in Toronto to the April 23, 2013 Executive Committee, which, as part of the report, recommended an approach to health and safety that can be applied to all future procurement for custodial services. EX31.21 was deferred until the July 3, 2013 Executive Committee meeting.

As a result, the purpose of this report is to request authority to amend Contract 47014512 (RFQ 0203-09-0075) awarded to Topnotch Building Maintenance Ltd., Contract 47014081 (RFQ 0203-08-0181) awarded to Waterford Services Inc., and Contract 47015602 awarded to Kleenway Building Maintenance (RFQ 0203-10-0179) for the supply of all labour, materials, and equipment necessary to provide custodial services at various Facilities Management Division locations until EX31.21 has been considered by Executive Committee and City Council and staff have enough time to issue new calls for custodial services.

RECOMMENDATIONS

The Chief Corporate Officer and the Director of Purchasing and Materials Management Division recommend that:

1. City Council authorize the Chief Corporate Officer to amend Contract 47014512 with Topnotch Building Maintenance for the supply of all labour, materials, janitorial supplies (consumables) and equipment necessary to provide custodial services at various City of Toronto facilities by \$446,400.00 net of all taxes (\$454,256.44 net of HST recoveries) revising the current Contract value from \$3,475,612.62 to \$3,922,012.62, net of all taxes (\$3,991,040.04 net of HST recoveries);
2. City Council authorize the Chief Corporate Officer to amend Contract No. 47014081 awarded to Waterford Services Inc. for the supply of all labour, materials, janitorial supplies (consumables) and equipment necessary to provide Janitorial services at various City of Toronto Facilities by \$412,460.00 net of all taxes (\$419,719.29 net of HST recoveries) revising the current Contract value from \$4,184,279.65 to \$4,596,739.65, net of all taxes, (\$4,677,642.26 net of HST recoveries) and to extend the contract from August 31, 2013 to January 31, 2014; and,
3. City Council authorize the Chief Corporate Officer to amend Contract No. 47015602 awarded to Kleenway Building Maintenance for the supply of all labour, materials, janitorial supplies (consumables) and equipment necessary to provide Janitorial services at various City of Toronto Facilities by \$92,700.00 net of all taxes, (\$94,331.52 net of HST recoveries) revising the current Contract value from \$3,177,366.36 to \$3,270,066.36 net of all taxes (\$3,327,588.99 net of HST recoveries) and to extend the contract from December 31, 2013 to January 31, 2014.

Financial Impact

Topnotch Building Maintenance, -Contract No. 47014512:

Funding in the amount of \$40,080.65, net of all taxes is available in the 2013 Approved Operating Budget for Transportation Services in Cost Centre TP0161 under various Cost Elements for the contract period August 1 to December 31, 2013 for 320-330 Bering. The balance of the funding for Transportation Services in the amount of \$56,112.91 will be requested as part of the 2014 Operating Budget submission in Cost Centre TP0161 under various Cost Elements for the contract period January 1 to July 31, 2014.

Funding in the amount of \$146,961.30 net of all taxes is available in the 2013 Approved Operating Budget for Facilities Management & Real Estate in Cost Centre FA2728 under various Cost Elements for the contract period August 1 to December 31, 2013 for Panorama Court. The balance of the funding for Facilities Management & Real Estate in

the amount of \$203,245.14 will be requested as part of the 2014 Operating Budget submission in Cost Centre FA2728 under various Cost Elements for the contract period January 1 to July 31, 2014.

Waterford Services Inc., Contract No. 47014081:

Funding in the amount of \$331,120.86 net of all taxes is available in the 2013 Approved Operating Budget for Facilities Management & Real Estate in the following Cost Centres for the contract period September 1, 2013 to December 31, 2013.

277 Victoria St	FA0660	\$66,806.36
220 Atwell Dr	FA2285	\$27,308.55
1990 Dundas St W	FA2283	\$21,887.69
150 Eglinton Av E	FA2281	\$8,134.23
1177 Finch Av W	FA2278	\$12,665.28
5639 Finch Av E	FA2286	\$31,026.93
1225 Kennedy Rd	FA2279	\$23,757.42
20 Lesmill Rd	FA2284	\$19,398.72
1631 Queen St E	FA0717	\$11,686.33
779 The Queensway	FA2288	\$7,271.51
605 Rogers Rd	FA2287	\$24,406.72
1880 Eglinton Av E	FA2624	\$30,280.44
700 Lawrence Av W	FA2629	\$10,581.12
111 Wellesley Rd	FA0716	\$35,909.58

The balance of the funding for Facilities Management in the amount of \$81,339.14 will be requested as part of the 2014 Operating Budget submission in these Cost Centres for the contract period January 1 to January 31, 2014.

Kleenway Building Maintenance, Contract No. 47015602

Funding in the amount of \$92,700 net of all taxes will be requested by Facilities Management as part of the 2014 Operating Budget submission for the contract period January 1 to January 31, 2014 in the following cost centres:

150 Borough Dr	FA0635	\$40,565.60
1530 Markham Rd	FA0606	\$3,545.10
460 Sheppard Av	FA2283	\$4,259.58
821 Progress Av	FA0718	\$1,786.98
1305 Ellesmere Rd	FA2281	\$2,606.76
1050 Ellesmere Rd	FA2278	\$3,788.46
1050 Ellesmere Rd	FA1989	\$2,382.12
1050 Ellesmere Rd	FA2279	\$2,443.74
60 Tiffield	FA2284	\$6,596.46
435 Kipling	FA2477	\$1,695.72
45 Twenty Thirty	FA2562	\$2,181.66

30 Dee Av	FA2284	\$6,580.86
9 Leslie	FA2563	\$1,695.72
275 Merton	FA2282	\$3,141.06
51 Beechgrove	FA2657	\$4,424.16
545 Commisioners	FA2560	\$5,006.02

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

DECISION HISTORY

At its meeting held on April 10 and 11, 2012, City Council, in its consideration of item GM12.21 "Council-Directed Follow Up to Community Development Committee Item CD10.2 - the Social Impact of Lower Wage Jobs" adopted a recommendation directing the City Manager to report back to City Council regarding the submission of all future proposal calls for cleaning contracts for review by the Government Management Committee prior to issuance.

The following is the link to City Council Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.GM12.21>

At its meeting held on October 18, 2012, Government Management granted authority to amend Contract No.'s 47014512, and 47014081 for the Provision of Custodial Services. The following is the link to the Government Management Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.GM17.7>

At its meeting held on April 23, 2013, Executive Committee, in its consideration of item GM31.12 "Quality Jobs, Living Wages and Fair Wages in Toronto" deferred the item to its July 3, 2013 meeting.

The following is the link to the Executive Committee Decision Document:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.12>

Kleenway Building Maintenance - Contract No. 47015602

At its meeting held on January 26, 2010, Bid Committee granted authority to award Request for Quotation (RFQ)0203-10-0179 for the supply of all labour, materials, janitorial supplies (consumables) and equipment necessary to provide Janitorial services at various City of Toronto Facilities to Kleenway Building Maintenance for the period from the date of award to December 31, 2011 with the option to renew for two (2) additional separate one (1) year periods, for a total potential award of \$2,957,182.61

A copy of the Bid Committee report can be viewed at:

<http://www.toronto.ca/legdocs/mmis/2011/bd/bgrd/backgroundfile-35144.pdf>

ISSUE BACKGROUND

City Council, at its meeting held on April 10 and 11, 2012 in its consideration of item GM12.21 "Council-Directed Follow Up to Community Development Committee Item CD10.2 - the Social Impact of Lower Wage Jobs" adopted a number of recommendations regarding the awarding of cleaning contracts including the following recommendation:

13. City Council approve the following, in principle, and refer it to the City Manager for a report to City Council, through the Government Management Committee:

"That all future proposal calls for cleaning contracts be reviewed by the Government Management Committee prior to their issuance to ensure that:

- a. all bidders provide a full history of their company's record of employment and health and safety standards compliance; and
- b. that these performance standards are thoroughly examined in the evaluation process."

Based on the recommendations set out by Council at its April 10, 11, 2012 meeting, staff have not issued new calls for custodial services until City Council considers a report that addresses how health and safety issues are to be addressed in the procurement process. A report was submitted to the Executive Committee for consideration to address the recommendations noted above at its meeting of April 23, 2013, titled "Quality Jobs, Living Wages and Fair Wages in Toronto". The Executive Committee has deferred the item to its July 3, 2013 meeting.

As a result of this deferral, Facilities Management is unable to issue any competitive calls until such time as the recommendations set forth in the "Quality Jobs, Living Wages and Fair Wages in Toronto" have been accepted, therefore, staff require to further amend the existing Contracts 47014512, 47014081, and 47015602, in order to maintain a clean, healthy and sanitized environment and to ensure uninterrupted continued custodial services to all existing locations.

COMMENTS

Contract No. 47014512-Topnotch Building Maintenance Ltd.

To ensure uninterrupted cleaning services in all locations under Contract No. 47014512 with Topnotch Building Maintenance Ltd., Contract No. 47014512 needs to be amended by an additional \$446,400.00 net of all taxes (454,256.64 net of HST Recoveries, from \$3,475,612.62 to \$3,922,012.62 net of all taxes. There are no other changes to the terms, conditions or price as set out in Contract No. 47014512. Table 1 below summarizes the revised contract value including the amendment recommended in this report.

Table 1

Contract No. 47014512	Total Net of all Taxes	Total Net HST Recoveries
Original Blanket Contract Value	\$2,660,389.01	\$2,707,211.86
Amendments to Date	\$815,223.61	\$829,571.54
Proposed Amendment - Panorama Court, 320 and 330 Bering Street for the period August 1, 2013 to July 31, 2014	\$446,400.00	\$454,256.64
Total Amendments including Proposed Amendment	\$1,261,623.61	\$1,283,828.18
Revised value of Blanket Contract (including Proposed Amendment)	\$3,922,012.62	\$3,991,040.04

Contract No. 47014081-Waterford Services Inc.

To ensure uninterrupted cleaning services in all locations under Contract No. 47014081 with Waterford Services Inc., Contract No. 47014081 needs to be amended by an additional \$412,460.00 net of all taxes to increase the overall target value from \$4,184,279.65 to \$4,596,739.65.. The term of Contract No. 47014081 needs to also be extended from August 31, 2013 to January 31, 2014. All other terms, conditions and price as set out in Contract No. 47014512 will remain the same. Table 2 below summarizes the revised contract value including the amendment recommended in this report.

Table 2

Contract No. 47014081	Total Net of all Taxes	Total Net HST Recoveries
Original Blanket Contract Value	\$3,560,682.55	\$3,623,350.56
Amendments to Date	\$623,597.10	\$634,572.41
Proposed Amendment including extending the contract from August 31, 2013 to January 31, 2014	\$412,460.00	\$419,719.29
Total Amendments including Proposed Amendment	\$1,036,057.10	\$1,054,291.70
Revised value of Blanket Contract (including Proposed Amendment)	\$4,596,739.65	\$4,677,642.26

Contract No. 47015602-Kleenway Building Maintenance

To ensure uninterrupted cleaning services in all locations under Contract No. 47015602 with Kleenway Building Maintenance, Contract No. 47015602 needs to be amended by an additional \$92,700.00 net of all taxes to increase the overall target value from \$3,177,336.36 to \$3,270,036.36. The term of Contract No. 47014081 needs to also be extended from December 31, 2013 to January 31, 2014. All other terms, conditions and price as set out in Contract No. 47015602 will remain the same.

Table 3 below summarizes the revised contract value including the amendment recommended in this report.

Table 3

Contract No. 47015602	Total Net of all Taxes	Total Net HST Recoveries
Original Blanket Contract Value	\$2,906,036.36	\$2,957,182.59
Amendments to Date	\$271,300.00	\$276,074.88
Proposed Amendment including extending the contract from December 31, 2013 to January 31, 2014.	\$92,700.00	\$ 94,331.52
Total Amendments including Proposed Amendment	\$364,000.00	\$370,406.40
Revised value of Blanket Contract (including Proposed Amendment)	\$ 3,270,036.36	\$3,327,588.99

CONTACT

Elena Caruso
 Manager, Goods and Services
 Corporate Purchasing
 Telephone: (416) 392-7316
 E-mail: ecarus@toronto.ca

Mike McCoy
 Director, Facilities Operations
 Facilities Management
 Telephone: (416) 397-5270
 E-mail: mmccoy@toronto.ca

SIGNATURE

Michael Pacholok
 Director, Purchasing &
 Materials Management

Josie Scioli
 Chief Corporate Officer