



## STAFF REPORT ACTION REQUIRED

### Award of Request for Proposals No. 0203-15-0112 for Custodial Services at Union Station including 18D York Street

<b>Date:</b>	June 1, 2015
<b>To:</b>	Government Management Committee
<b>From:</b>	Director, Purchasing and Materials Management Division Chief Corporate Officer
<b>Wards:</b>	Ward 20 – Trinity Spadina Ward 28 – Toronto Centre-Rosedale
<b>Reference Number:</b>	P:\2015\Internal Services\FAC\Gm15016fac – (AFS21455)

### SUMMARY

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The purpose of this report is to advise on the results of the Request for Proposal (RFP) 0203-15-0112 for Custodial Services at Union Station, 65 Front St West including 18D York Street. Both locations are currently serviced by external contractors. No City employees will be affected as a result of this award. The contract is to start after the date of the award.

This contract award is within the delegated authority of the Government Management Committee pursuant to Toronto Municipal Code Chapter 195, Purchasing, Section 195-14C and pursuant to direction 10 of GM 12.21 Council-Directed Follow Up to Community Development Committee Item CD10.2- the Social Impact of Lower Wage Jobs which states "that prior to the awarding of any further cleaning contracts, the Deputy City Manager & Chief Financial Officer brings results of the call for proposals to the Government Management for approval."

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## **RECOMMENDATIONS**

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**The Chief Corporate Officer and the Director of the Purchasing and Materials Management Division recommend that Government Management Committee, in accordance with Section 195-14C of Toronto Municipal Code Chapter 195 (Purchasing By-law):**

1. authorize the Chief Corporate Officer to negotiate and enter into an agreement with Impact Cleaning Services, being the highest scoring proponent meeting the requirements of Request for Proposal (RFP) 0203-15-0112 for Union Station Custodial services for a period of three (3) years from the date of the award to May 31, 2018, in the amount of \$2,505,443.76 net of all taxes and \$2,549,539.57 net of HST recoveries with the option to renew the contract for one (1) additional term of two (2) years fixed, from June 1, 2018 to May 31, 2020, in the amount of \$1,720,404.72 net of all taxes and \$1,750,683.84 net of HST recoveries for a total contract award of \$4,225,848.48 net of all taxes and \$4,300,223.41 net of HST recoveries at the sole discretion of the Chief Corporate Officer and subject to budget approval(s), under the same terms and conditions set out in the RFP and in a form satisfactory to the City Solicitor.

### **Financial Impact**

#### **RFP 0203-15-0112 for Facilities Management, Union Station**

The total contract award for Facilities Management, Union Station identified in this report including all option years is \$4,225,848.48 net of all applicable taxes and charges and \$4,775,208.78 including all applicable taxes and charges. The total potential cost to the City is \$4,300,223.41 net of HST recovery. The contract commences from the date of the award.

Funding in the amount of \$495,743.81 is included in the 2015 Approved Operating Budget for Facilities Management. Annual funding in the amount of \$849,846.52 (for 2016 and 2017 budget year) and \$354,102.72 (for 2018 budget year) will be included in the 2016-2018 annual Operating Budget Submissions for Facilities Management. Should the City choose to exercise its option to renew for one (1) additional term of two (2) years fixed, then appropriate additional funding, if needed, will be included in the 2018-2020 annual Operating Budget Submissions for Facilities Management. The funding details are summarized in Table 1 below:

Table 1: (\$'s) Net of HST Recoveries

Year	Period	Cost Centre: Various Cost Element: 4415	Total (net of HST recoveries)
2015	Date of Award to December 31, 2015	\$ 495,743.81	
2016	January 1, 2016 to December 31, 2016	\$ 849,846.52	
2017	January 1, 2017 to December 31, 2017	\$ 849,846.52	
2018	January 1, 2018 to May 31, 2018	\$ 354,102.72	
	Total: Contract Period 1	\$2,549,539.57	\$2,549,539.57
2018	June 1, 2018 to December 31, 2018	\$ 510,616.12	
2019	January 1, 2019 to December 31, 2019	\$ 875,341.92	
2020	January 1, 2020 to May 31, 2020	\$ 364,725.80	
	Total: Option Period 1	\$1,750,683.84	\$1,750,683.84
	Grand Total		\$4,300,223.41

The new contract is a full service contract which consolidates many services within the existing budget (e.g. janitorial, carpet cleaning, supplies), and incorporates the Fair Wage Policy approved by City Council at its July 16-18, 2013 meetings.

For the purposes of the evaluation and award, the option year renewal period included an estimate of 3% Consumer Price Index (CPI) increase. Should the Chief Corporate Officer choose to exercise its option for one (1) additional term of two (2) years fixed, then appropriate additional funding, if needed, subject to the CPI at time of renewal will be included in the Facilities Management (FM) Operating Budget submissions in future years.

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

## DECISION HISTORY

At the April 10 and 11, 2012 meeting, City Council adopted GM 12.21 Council Directed Follow Up to Community Development Committee Item CD10.2 - the Social Impact of Lower Wage Jobs which directed that prior to the award of any further cleaning contracts, the Deputy City Manager and Chief Financial Officer bring the results of the call for proposals to the Government Management Committee for approval.

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

At the July 16, 17, 18 and 19, 2013 meeting, City Council directed the Director, Purchasing and Materials Management and the Chief Corporate Officer to include the mandatory requirements for all future Custodial Services Request for Proposals and amended the Toronto Municipal Code, Chapter 67, Fair Wage, to increase the Schedule C General Classification rates, which includes wage rates for workers performing custodial services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX33.2>

## **ISSUE BACKGROUND**

Request for Proposals RFP No. 0203-15-0112 for Custodial Services at Union Station were issued in accordance with the directions of City Council as set out in GM12.21 and EX33.2, including the proponents requirement to meet the revised Fair Wage rates for custodial services, to have previously obtained certification in one of three international standards related to custodial services in a Canadian Facility and to agree to the mandatory requirement that the successful vendor will obtain ISSA-CIMS-GB (International Sanitary Supply Association- Cleaning Industry Management Standard-Green Building) certification within twelve (12) months of the contract commencement. No City employees will be affected as a result of this award.

## **COMMENTS**

### **Request for Proposal 0203-15-0112 – Procurement Process**

Request for Proposal (RFP) No. 0203-15-0112 for the supply of all labour, materials, janitorial supplies and equipment necessary to provide Custodial Services at Union Station, this RFP was issued by the Purchasing and Materials Management Division (PMMD) on April 20, 2015 and made available to download on the City's internet website. The closing date for submissions was May 12, 2015.

As part of the RFP, interested Proponents were offered an opportunity to attend one (1) of the two (2) mandatory site visits to familiarize themselves with the scope of the work and ascertain the full extent of the work required at Union Station. The initial site visit was held on April 24, 2015 at 8:30am, Five (5) proponents attended. Due to an issue with the City of Toronto's online call document system, not all proponents were able to download the call document off of the City of Toronto website prior to April 26, 2015. As a result, Addendum No. 1 was issued to extend the closing date and to provide proponents a second site visit which was scheduled for anyone who missed initial site visit on April 24, 2015. The second site visit was held on May 1, 2015 at 8:30am. Four (4) proponents attended.

The RFP process conducted was a two envelope system whereby the proponents were required to submit two separate envelopes. Envelope one contained the technical proposal submission and envelope two contained the cost of services. Only those proponents who have met the 70% threshold or (49 of 70 points) will have their cost of services envelopes opened.

Six (6) firms either downloaded the document from the PMMD website or purchased a hardcopy of the RFP document. A total of three (3) proposal submissions were received for Facilities Management, Union Station prior to the closing deadline as listed below:

- Impact Cleaning Services Ltd \*
- GDI Integrated Facility Services \*
- Kleenway Services Inc \*
- Commercial Cleaning Services
- Koprash Inc
- TBM Service Group Inc

Note: \* Proposal submissions received.

#### Evaluation of the Request for Proposal (RFP) No. 0203-15-0112 Submissions:

A formal Selection Committee comprised of (3) members from Facilities Management Division submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement, under the supervision of PMMD, evaluated the technical proposals in compliance with the criteria set out in the RFP as follows:

- Stage 1: Compliance with the mandatory submission
- Stage 2: Detailed Technical Evaluation (Proposal)
- Stage 3: Cost of Services

#### Stage 1:

In compliance with the RFP, a list of mandatory requirements had to be met in order to advance to Stage 2; Proposal Content. Of the three (3) proponents, three (3) firms advanced to Stage 2 of the evaluation process. They are as follows:

- Impact Cleaning Services Ltd.
- GDI Integrated Facility Services
- Kleenway Services Inc.

#### Stage 2:

In Stage 2 proponents were evaluated on their Technical (proposal content) proposal and a minimum threshold score of 70% or (49 of 70 points) had to be met in order to advance to Stage 3 (Cost of Services) in order to be considered further. Out of the three (3) firms that were evaluated, all firms met the minimum threshold score of 70% or (49 of 70 points) and advanced to Stage 3 of the evaluation process.

Stage 3:

In Stage 3 the cost of services envelopes were opened for only those proponents that met the 70% threshold or (49 of 70 points) . The costs of services submissions were reviewed and the calculations of the total annual costs and price scores were validated by PMMD, and Corporate Finance.

Therefore, the following three (3) proponents progressed to Stage 3:

- Impact Cleaning Services Ltd.
- GDI Integrated Facility Services
- Kleenway Services Inc.

The proponents that progressed to Stage 3 noted above, their technical score, and the cost of services score for each Proponent were added together to calculate the total score.

The RFP was designed to be awarded by Facilities Management, Union Station. The highest ranking proponent achieved the highest total score and also had the highest cost of services score, i.e., was the lowest cost Proposal. Table 2 sets out the highest scoring proponents.

Table 2

	Price Schedules	Highest Ranking Proponents
Facilities Management	1. Schedule A	Impact Cleaning Services Ltd.

To facilitate the timing of the award and legal Agreement execution, a bridging Sole Source agreement was executed for full custodial services at Toronto's Union Station from June 1, 2015 to August 31, 2015 on May 20, 2015 to the incumbent Impact Cleaning Services Ltd in order to ensure continuity of the existing services at Union Station including 18D York Street. The bridge contract will cover the period from the current contract expiry date and until a new contract can be awarded.

**Conclusion**

Based on the results of RFP No. 0203-15-0112, the Chief Corporate Officer, the General Manager, Facilities Management and the Director, PMMD are recommending that Government Management authorize the Chief Corporate Officer and the General Manager Facilities, Management to negotiate and enter into an agreement for **RFP No. 0203-15-0112 with Impact Cleaning Services Ltd.**

The Manager of the Fair Wage Office has approved the recommended proponents and have indicated that the proponents have reviewed and understand the Fair Wage Policy and have agreed to comply fully with it.

Proponents' scores by criteria, price comparison and a staff analysis of the evaluation results for RFP 0203-15-0112 can be provided in an in-camera presentation, if requested by Committee Members.

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**SIGNATURE**

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