



REPORT FOR ACTION CONTRACT AWARD

Contract Award – City of Toronto Negotiated Request for Proposals Number DOC2738470765 for the Provision of HVAC Services for Various Toronto Parking Authority Facilities

Date: August 20, 2021

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: All

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority (TPA) grant authority to the President, Toronto Parking Authority, to award the contract for the provision of Heating Ventilation and Air-conditioning (HVAC) comprehensive maintenance services for various TPA facilities to Standard Mechanical Systems Ltd., evaluated as the highest scoring proposal for technical and cost submissions and meeting all specifications in conformance with the City of Toronto negotiated request for proposal (nRFP) HVAC service requirements, for a term of three (3) years, plus two (2) optional extensions of one (1) year, at the sole option of the President, Toronto Parking Authority, in the amount (five years) of \$429,982 plus \$128,995 as a contingency allowance (30 percent of the contract value over the five (5)-year period), being the sum total amount of \$558,977, net of all taxes and charges.

FINANCIAL IMPACT

The total contract award amount for HVAC services over the three (3)-year term from December 2021 to November 2024 is \$254,910 plus \$76,473 for contingency, being the sum total amount of \$331,383 net of all taxes and charges.

Table 1: Financial Summary of Recommended Three-Year Contract Plus Two Optional One-Year Extensions

	Year 1 Price (Dec 2021- Nov 2022)	Year 2 Price (Dec 2022 – Nov 2023)	Year 3 Price (Dec 2023 – Nov 2024)	Extended Year 4 Price (Dec 2024 – Nov 2025)	Extended Year 5 Price (Dec 2025 – Nov 2026)
Comprehensive HVAC Maintenance	\$84,970.00	\$84,970.00	\$84,970.00	\$86,669.40	\$88,402.79
HVAC Repairs Outside of Comprehensive Maintenance - 30 Percent Contingency	\$25,491.00	\$25,491.00	\$25,491.00	\$26,000.82	\$26,520.84
Total per Year	\$110,461.00	\$110,461.00	\$110,461.00	\$112,670.22	\$114,923.62

As per the call document, the current year price submitted by the bidders is fixed for the initial term (three years). Included in the TPA decision to exercise any option year is an annual price adjustment that will be applied in accordance with the average Consumer Price Index (CPI), CPI Index-All Items-Toronto, for the July to June twelve-month period preceding each option year, to a maximum of 2 percent.

For the purposes of bid evaluation and recommendation only, the price submitted by Standard Mechanical is escalated by a factor of 2 percent per annum for the optional years. The actual CPI will be applied pursuant to the contract.

The work encompasses 32 TPA sites, which are identified in Table 2 of this report.

Table 2: Costs Quoted by Standard Mechanical Systems Ltd.

TPA Site Name	Site Address	Site Detail (e.g. square footage)	Quoted Annual Cost for Comprehensive Maintenance
21 Connell Ct	21 Connell Crt.	19,270	\$8,340.00
CP1	20 Charles St E	37,521	\$5,910.00
CP11	21 Pleasant	32,795	\$2,430.00
CP111	74 Clinton St	39,521	\$750.00
CP125	323 Richmond St E	55,972	\$1,800.00
CP13	20 Delisle	47,638	\$1,410.00
CP150	40 Larch St	126,080	\$2,125.00
CP178	650 Mount Pleasant Rd	15,784	\$1,375.00
CP181	1155 King St W	79,000	\$1,410.00
CP215	74 Yorkville Ave	79,000	\$2,825.00
CP216	207 McCaul St	Surface lot with attendant booth	\$900.00
CP26	33 Queen St. E	182,894	\$6,690.00
CP281	598 Gerrard St E	4,200	\$1,410.00
CP282	838 Broadview Ave	4,069	\$1,770.00
CP29	75 Holly St	56,876	\$1,590.00
CP34	25 Dundas Sq	12,306	\$2,430.00
CP36	110 Queen St W	509,335	\$9,150.00
CP39	20 Castlefield	Surface lot with attendant booth	\$1,410.00
CP404	95 Beecroft	75,000	\$2,940.00
CP42	91 Via Italia	17,399	\$1,590.00
CP43	2 Church St	211,999	\$3,300.00
CP49	30 Roehampton Ave	35,185	\$1,530.00
CP5	15 Wellesley St	Surface lot with attendant booth	\$1,410.00
CP52	40 York St	105,000	\$2,310.00
CP535	5 Chartwell Rd	1,488	\$1,410.00
CP58	9 Bedford Rd	151,507	\$1,740.00
CP661	437 Rogers Rd	4,149	\$2,700.00
CP674	2623 Eglinton W	2,217	\$1,250.00
CP68	20 St. Andrews St	102,010	\$4,890.00
CP96	2 Portland St	67,928	\$700.00
50 Richmond St E	50 Richmond St E	14,554	\$3,150.00
Rockcliffe	305 Rockcliffe	4,400	\$2,325.00
		TOTAL:	\$84,970.00

Funding is available in the 2021 through 2024 approved Operating Budgets for Toronto Parking Authority (TPA) GL Account 65008502.

Should TPA choose to exercise its option to renew for up to two additional one-year terms, then appropriate additional funding, if needed, will be included in the 2024-2025 and 2025-2026 annual Operating Budget Submissions for TPA.

CALL SUMMARY

Call Number: City of Toronto Ariba Doc 2738470765

Call Issued: December 11, 2020

Call Closed: January 27, 2021

Number of Addenda Issued: Six (6)

Number of Bids: HVAC Maintenance - Six (6), Building Automation System (BAS) Maintenance - Five (5)

Recommended Proponents: Standard Mechanical Systems Ltd., Ainsworth Inc.

Description:

The provision of HVAC services for various TPA sites December 1, 2021 for a term of three (3) years ending November 30, 2024, plus two (2) optional one (1)-year extensions at the sole option of TPA. Should the option be exercised, the Vice President of Operations will request the President, TPA, to process the renewals under the same terms and conditions.

On December 11, 2020, the City of Toronto issued a City-wide corporate call “Negotiated Request for Proposal” for the Heating, Ventilation, Air Conditioning (HVAC) and Building Automation Systems (BAS) Maintenance Services and Prequalification for Roster for the Supply and Installation of HVAC Capital Equipment at various City of Toronto and TPA locations.

There are three distinct and separate categories (to be awarded and established separately) associated with this nRFP. These include:

- Category 1: HVAC Maintenance Services (Property Groups A, B, C, D, E, F and G)
- Category 2: BAS Maintenance Services (Property Groups H and I)
- Category 3: HVAC Capital Replacement Roster

Property groups defined for the purposes of this nRFP are identified in Table 3 of this report.

Table 3: Formation of Property Groups for HVAC Maintenance Services

Property Group	Division
Group A	Children Services Parks, Forestry and Recreation Economic Development and Culture Solid Waste Services
Group B	Toronto Parking Authority
Group C	Long-Term Care Home Services
Group D	Toronto Downtown (Corporate Real Estate Management (CREM))
Group E	Toronto West / North (CREM)
Group F	Toronto East (CREM)
Group G	EMS / Firehall (CREM)

Category 2, BAS Maintenance Services (Building Automation Systems), is not applicable to TPA, as TPA does not have building automation systems.

The evaluation criteria of the nRFP included the evaluation table identifying mandatory requirements, the evaluation criteria and the available points that could be awarded for each of the evaluation areas within the submitted proposals.

When the RFP closed on January 27, 2021, six (6) proposals were received for HVAC and five (5) for BAS. The proponents are identified in Table 4 of this report.

Table 4: List of Suppliers who Participated and Submitted their Bids.

	HVAC Services		BAS Services
1.	Ainsworth Inc.*	1.	Ainsworth Inc.*
2.	Ambient Mechanical Ltd	2.	Ambient Mechanical Ltd*
3.	Plan Group Inc.*	3.	Plan Group Inc.*
4.	Dunlis Mechanical Services Ltd	4.	Advanced Energy Management Ltd
5.	Smith and Long Limited*	5.	Regulvar Canada Inc*
6.	Standard Mechanical Systems Limited*		

In order to evaluate the proposals, a Selection Committee was established. The Committee was comprised of six (6) representatives from participating City Divisions and Agencies.

The evaluation process described in the nRFP consisted of five (5) stages and each of the proposals were evaluated against the criteria as follows:

- Stage 1: Mandatory Submission Requirements - (All passed)
- Stage 2: Technical Evaluation (Rated Criteria & Reference Check)
 - o *Supplier's proposal met the minimum threshold of 75 percent and advanced to next stages. For HVAC maintenance four (4) out of six (6) and BAS maintenance four (4) out of five (5) suppliers
- Stage 3: Pricing Evaluation and Ranking
- Stage 4: Concurrent Negotiations and Best And Final Offer (BAFO)
- Stage 5: Contract Negotiations

The consolidated range of scores for awarded portfolio are as follows:

- HVAC Maintenance = 62 to 97.2
- BAS Maintenance = 68.1 to 97.5

Based on the contract negotiation results, the Selection Committee therefore recommends that the contract for the provision of HVAC Maintenance Service for various TPA locations be awarded to Standard Mechanical Systems Ltd., the highest scoring Proponent, at a cost of \$558,977 for Group B (TPA). Overall, for the entire set of property groups, the Committee recommends Standard Mechanical and Ainsworth for HVAC Maintenance Services, and Ainsworth and Ambient Mechanical for BAS Maintenance Services.

As part of this nRFP, the City also received seven (7) proposals for HVAC Capital Replacement. These proposals will allow the City to establish a roster with multiple pre-qualified vendors for future capital replacement solicitations. Based on the evaluation and total score, the Committee therefore recommends the following vendors to be placed on the Roster for Capital Replacement Services for various City of Toronto locations.

Proponent

1. Ainsworth Inc.
2. Ambient Mechanical Inc.
3. Standard Mechanical Systems Ltd.
4. Smith and Long Ltd.
5. Regulvar Canada Inc.
6. Plan Group Inc. *

*Plan Group will honor their proposal for Capital Replacement and therefore will be added to the Roster.

When the Roster is approved and in place, TPA will be able to use it for the capital upgrades of the HVAC equipment.

DECISION HISTORY

The Board of Directors of the Toronto Parking Authority, at its meeting of November 17, 2016 (Minute 16-168), approved a TPA staff memorandum dated November 9, 2016 recommending that the five (5)-year, All Inclusive Mechanical Systems Comprehensive Service and Preventative Maintenance contract for Municipal Car Park Nos. 26, 36, 52, 68, 404 and the TPA property located at 838 Broadview Avenue, be awarded to AirCom Heating and Cooling Systems Ltd. (AirCom), in the amount of \$160,272.00 plus \$15,728.00 as contingency allowance, being the sum total amount of \$176,000.00, not including HST.

https://parking.greenp.com/app/uploads/2017/09/00000157_minutes.pdf

COMMENTS

TPA has an on-going requirement for HVAC services, which includes maintenance and repairs at thirty-two (32) sites. TPA's current five (5)-year comprehensive HVAC maintenance contract, which includes seven (7) of the 32 sites included in the new nRFP will expire on November 30, 2021 and therefore TPA participated in the Call issued by the City of Toronto on December 11, 2020.

The open Call was posted on the City's Ariba platform and closed on January 27, 2021. Proponents were invited to submit proposals for providing HVAC Maintenance, BAS and Capital Replacement Services in accordance with the terms specified by the City and its participating divisions and agencies for the contract.

Prices submitted for comprehensive maintenance are inclusive of all applicable costs such as inspections, repairs, on-demand service and seasonal work as required.

	Total Cost for three (3) years	Cost for Option Year 1	Cost for Option Year 2	Total Award for 5 Years
Bid Amount	\$254,910	\$86,669.40	\$88,402.79	\$429,982.19
Contingency Amount (30%)	\$76,473	26,000.82	\$26,520.84	\$128,994.66
Sub-total	\$331,383	\$112,670	\$114,923.53	\$558,976.85

Exceptions include replacement of complete HVAC units or non-maintainable components as well as required repairs due to misuse, vandalism or Acts of God. For these exceptions, service will be provided at the agreed time and materials rates.

The results of the five-stage evaluation process showed that Standard Mechanical submitted the highest scoring bid for the TPA property group. The Selection Committee recommends that their bid be accepted and TPA enter into a three-year agreement with Standard Mechanical for HVAC maintenance services for various TPA sites.

Standard Mechanical Systems Ltd. was established in 1971, and specialize in HVAC services for the commercial, industrial, telecommunications and retail sectors. Their corporate headquarters are based in Mississauga, Ontario and they operate a total of thirty-five (35) offices and depots across Canada. Standard Mechanical staff qualifications include Refrigeration licenses, Lennox Prodigy factory training, NOVAR B.A.S. certification, Ozone Depletion Prevention (ODP) licenses, gas fitter.

CONTACT

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SIGNATURE

W. Scott Collier, President
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