BID AWARD PANEL CONTRACT AWARD

Award of Ariba Document Number 4160373628 to Markland Property Management Inc. for the non-exclusive provision of Property Management Services at 800 Kipling Ave for Corporate Real Estate Management

Date: November 16, 2023
To: Bid Award Panel
From: Chief Procurement Officer
Wards: 3

RECOMMENDATIONS

The Chief Procurement Officer recommends that the Bid Award Panel grant authority to award the following contract:

Solicitation Number:
Request for Quotation, Ariba Document Number 4160373628

Description:

For the supply of Property Management Services necessary to maintain the physical property located at 800 Kipling Ave., Toronto, Ontario, and meet the City's obligation to its commercial tenants on-premises, as defined in this Scope of Work, which includes performing or causing to be performed Lease Administration, Property Accounting, Building Maintenance, Repair, and Operations (including cleaning) on a 24/7/365 basis.

The award is for an initial contract period of two (2) years from November 1, 2023, to October 31, 2025, with an option in favour of the City to extend the contract on the same terms and conditions for an additional term of up to two (2) separate one (1) year periods.

Should the option year(s) be exercised, the Corporate Real Estate Management Division will request the Chief Procurement Officer to process the renewals under the same terms and conditions.

Recommended Supplier:
Markland Property Management Inc.

Contract Award Value:
$3,274,000 net of all applicable taxes and charges
$3,699,620 including HST and all applicable charges

$3,331,622 net of HST recoveries

The contract is expected to start on November 1, 2023, and end on October 31, 2025.

Option Year 1 - From November 1, 2025, to October 31, 2026
$1,450,110 net of all applicable taxes and charges
$1,638,624 including HST and all applicable charges
$1,475,632 net of HST recoveries

Option Year 2 - From November 1, 2026, to October 31, 2027
$983,613 net of all applicable taxes and charges
$1,111,483 including HST and all applicable charges
$1,000,925 net of HST recoveries

The total potential contract award to the supplier identified in this report, including all option years, is $5,707,723 net of all applicable taxes and charges and $6,449,727 including all applicable taxes and charges. **The total potential cost to the City, including all option years, is $5,808,179, net of HST recoveries.**

The above cost calculations include a three percent (3%) Consumer Price Index adjustment applied to each term after the initial two (2) year contract period.

FINANCIAL IMPACT

Funding is available in the 2023 Approved Toronto Transit Commission Operating Budget, and additional funding will be included in the 2024 and2025 Toronto Transit Commission Operating Budget Submissions. Should the City exercise the option(s) to renew for an additional two (2) separate one (1) option year periods, then additional funding will be included in their 2026 and 2027 Toronto Transit Commission Operating Budget Submissions. Additional funding details follow in Table 1.

Table 1: Financial Impact Summary of Recommended Contract (net of HST recoveries)

Cost Centre\ GL#	Nov 1, 2023 to Dec 31, 2023	Jan 1, 2024 to Dec 31, 2024	Jan 1, 2025 to Oct 31, 2025	Nov 1, 2025 to Oct 30, 2026	Nov 1, 2026 to Oct 30, 2027	Total (net of HST recoveries)
TT0010 GL4995	$277,637	$1,665,811	$1,388,176	$1,475,631	$1,000,924	$ 5,808,179

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

SOLICITATION SUMMARY

Solicitation Issued: July 7, 2023 **Solicitation Closed:** August 9, 2023

Number of Addenda Issued: Two (2)
Number of Bids: Two (2)

Table 2: Summary of Bids Received, including bid price:

Supplier Name	Bid Price* (excluding HST)
MARKLAND PROPERTY MANAGEMENT INC.	$5,668,000 CAD
COMPASS COMMERCIAL REALTY LP	$6,769,056 CAD

*Bid price does not include 3 percent Consumer Price Index adjustment applied to Option Years

DIVISION CONTACTS

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COMMENTS

For the recommended contract award, the following requirements have been met:

a. The firm recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;

b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;

c. the total contract value is less than $20 million dollars (excluding applicable taxes) and the contract term is:

> 1. for a contract funded by the operating budget, 5 years or less including any option years; or
>
> 2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. the Solicitation document was advertised on the City's internet website and bids or proposals were submitted electronically in Ariba; and

e. the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Geneviève Sharkey
Chief Procurement Officer