

Award of Ariba Document Number 4273922673 to Gorbern Mechanical Contractors Limited for General Plumbing Maintenance, Repair, and Supply Services for Corporate Real Estate Services at various City of Toronto locations

Date: January 30, 2024

To: General Government Committee

From: Executive Director, Corporate Real Estate Management and the Chief Procurement Officer

Wards: All

SUMMARY

The purpose of this report is to advise of the results of Request for Quotation Doc4273922673 for the General Plumbing Maintenance, Repair, and Supply Services for Various Locations in the City of Toronto for buildings managed by Corporate Real Estate Management and request authority to enter into an agreement with Gorbern Mechanical Contractors Limited, the lowest compliant bid received for a fixed period of three (3) years from the date of award, in the total amount of \$16,928,693 net of all applicable taxes and charges (\$17,226,638 net of Harmonized Sales Tax recoveries), and one (1) additional option year at \$5,925,043 net of all applicable taxes and charges (\$6,029,323 net of Harmonized Sales Tax recoveries), for a total possible contract value of \$22,853,736 net of all applicable taxes and charges (\$23,255,961 net of Harmonized Sales Tax recoveries), all in accordance with the terms, conditions, and specifications contained in the Request for Quotation, Ariba, and any applicable City policy.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, and the Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Purchasing By-Law) grant authority to the Executive Director, Corporate Real Estate Management, to award and enter into an agreement with Gorbern Mechanical Contractors Limited, being the lowest bidder meeting the specifications of Request for Quotation

Doc4273922673, for the supply and delivery of General Plumbing Maintenance, Repair, and Supply Services for Multiple Locations in the City of Toronto, for buildings managed by Corporate Real Estate Management for a fixed period of three (3) years from the date of award, in the total amount of \$16,928,693 net of all applicable taxes and charges (\$17,226,638 net of Harmonized Sales Tax recoveries), and one (1) additional option year at \$5,925,043 net of all applicable taxes and charges (\$6,029,323 net of Harmonized Sales Tax recoveries), for a total possible contract value of \$22,853,736 net of all applicable taxes and charges (\$23,255,961 net of Harmonized Sales Tax recoveries), all in accordance with the terms, conditions, and specifications contained in the Request for Quotation, Ariba, and any applicable City policy.

FINANCIAL IMPACT

The total potential contract award identified in this report, including all optional purchases, is \$22,853,736 net of all applicable taxes and charges and \$25,824,721 including all applicable taxes and charges over four (4) years. The total potential cost to the City is \$23,255,961 net of Harmonized Sales Tax recoveries.

Funding for this contract is included in the 2024 Staff Prepared Operating Budget for Corporate Real Estate Management. Additional funding will be included in the 2025-2027 Operating Budget Submissions of Corporate Real Estate Management for the remainder of the initial contract term. Should the optional periods be exercised, then additional funding will be included in the 2027-2028 Operating Budget Submissions of Corporate Real Estate Management. Additional funding details follow in Table 1.

Table 1: Financial Impact Summary of Recommended Blanket Contract (Net of Harmonized Sales Tax Recoveries)

Base Contract Term	Cost Centre/GL/Element: FA100-30.S, 3210300000, 4412
Term 1: March 1 to December 31, 2024	\$4,785,177
Term 2: January 1 to December 31, 2025	\$5,742,213
Term 3: January 1 to December 31, 2026	\$5,742,213
Term 4: January 1 to February 28, 2027	\$957,035
Total Base Contract Value	\$17,226,638
Option Terms	
Term 1: March 1 to December 31, 2027	\$5,024,436
Term 2: January 1 to February 29, 2028	\$1,004,887
Total Option Term Value	\$6,029,323

Total Possible Amount (Base Contract plus Option Terms)	\$23,255,961
---	--------------

The above cost calculations reflect a 5% Consumer Price Index adjustment applied to the single-year option term following the base three-year period from the contract award.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information in the Financial Impact Section.

DECISION HISTORY

At its meeting on October 31, 2018, the Bid Award Panel granted authority to the Corporate Real Estate Management Division and item BA104.3 was adopted without amendment for Award of Request for Quotation No. 4201-18-5067 to Gorbern Mechanical Contractors Ltd. for Plumbing Services for the City of Toronto's Facilities Management Division for \$26,874,690 net of Harmonized Sales Tax recoveries.

[Agenda Item History - 2018.BA104.3 \(toronto.ca\)](#)

COMMENTS

Background:

Corporate Real Estate Management’s contract with Gorbern Mechanical Contractors Limited for the non-exclusive supply and delivery of Plumbing Maintenance and Repair Services ends on March 31, 2024.

To ensure the continuation of critical plumbing maintenance repair and supply services, Corporate Real Estate Management requests authorization to enter into an agreement with Gorbern Mechanical Contractors for the non-exclusive supply and delivery of General Plumbing Maintenance, Repair, and Supply Services for Multiple Locations in the City of Toronto for buildings managed by Corporate Real Estate Management.

Procurement Process:

The Request for Quotation Doc4273922673 was for General Plumbing Maintenance, Repair, and Supply Services for Multiple Locations in Toronto. There were four (4) addenda issued. The Request for Quotation closed on January 9, 2024. Corporate Real Estate Management will issue over 3,600 work orders for plumbing maintenance and repair at over 450 buildings annually.

Table 2: Summary of two (2) Bids Received for Request for Quotation Doc4273922673, excluding Harmonized Sales Tax for the Base Term plus the Single Option Term Bid Price

Supplier Name	Bid Price (excluding Harmonized Sales Tax)
Gorbern Mechanical Contractors Limited	\$22,853,736
Active Mechanical Services	\$27,187,048

The lowest compliant bid meeting all specifications and requirements resulted in a total potential contract value exceeding the \$20 million limit of the Bid Award Panel to award.

CONTACT

Clarman Yang, Acting Manager, Purchasing Client Services, Purchasing and Materials Management, 416-392-1302, Clarman.Yang@toronto.ca

Scott Helsel, Manager, Facilities Sourcing and Contract Management, Corporate Real Estate Management, 416-338-1027, Scott.Helsel@toronto.ca

SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

Geneviève Sharkey
Chief Procurement Officer