



Report to: General Committee

Meeting Date: April 20, 2020

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|---------------------|------------------------------------------------------------------------------------------------------------|
| <b>SUBJECT:</b>     | Award of Contract 023-R-20 Plumbing Services for various City of Markham locations on an as required basis |
| <b>PREPARED BY:</b> | Jason Ramsaran, Facility Coordinator ext 3526,<br>Flora Chan Senior Buyer ext 3189                         |

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**RECOMMENDATION:**

- 1) That the report “Award of Contract #023-R-20 Plumbing Services for various City of Markham locations on an as required basis” be received; and,
- 2) That the contract be awarded to the highest ranked / lowest priced bidder, Saunders Plumbing and Heating Inc. in the estimated annual amount of \$120,000.00 inclusive of HST; and,
- 3) That Staff be authorized to extend the contract for three (3) additional years (2021-2023) in the estimated annual amount of \$120,000 inclusive of HST, subject to supplier performance; and,
- 4) That the contract be funded from various City Departments’ operating budgets on an as-required basis; and,
- 5) That the award amounts in 2021 to 2023 be subject to Council approval of the respective annual operating budgets and that the award amounts be amended to reflect changes to the various departments’ budget accounts as approved by Council during the annual budget process; and further,
- 6) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

**PURPOSE:**

The purpose of this report is to obtain approval to award the contract for plumbing services for various City locations on an as-required basis.

**BACKGROUND:**

The work is to include all materials, labour and equipment necessary to provide plumbing services to various locations within the City of Markham, including recreation centres, cultural facilities, fire stations, parks, and administrative buildings. This contract is for 24/7 plumbing services on an as-required basis for day-to-day repairs not to exceed a value of \$5,000.00, pre-tax, per repair. For any job in excess of \$5,000.00, pre-tax, the City reserves the right to competitively price the work. The contract also includes priority response time within 1 hour for emergency services.

**PROPOSAL INFORMATION:**

|                                 |                   |
|---------------------------------|-------------------|
| Bids closed on                  | February 20, 2020 |
| Number picking up bid documents | 13                |
| Number responding to bid        | 11                |

**EVALUATION RESULTS:**

The Bid Evaluation Committee was comprised of staff from Recreation and Sustainability & Asset Management Department, with staff from Procurement acting as the evaluation facilitator.

The evaluation was based on the pre-established evaluation criteria as listed in the Request for Proposal: Price 30%, Experience and Qualification of Company 15%, Experience and Qualification of Personnel 15%, Equipment & Resources 20%, and Quality Control & Project Management 20%, for a total of 100% with resulting scores as below:

| Bidders Name                     | Total Score | Rank |
|----------------------------------|-------------|------|
| Saunders Plumbing & Heating Inc. | 95.0        | 1    |

Note: The bid price was based on hourly rates and estimated annual usage, ranges from \$119,992.85 to \$235,818.62.

**FINANCIAL CONSIDERATIONS:**

|                             |              |                                                                                                                                                                         |
|-----------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Original Budget & Account # | \$120,000.00 | Various operating accounts                                                                                                                                              |
| Budget Available            | \$ 80,000.00 | Budget allocated for this award (May–Dec)                                                                                                                               |
| Cost of award               | \$ 80,000.00 | 2020 (May– Dec) Inclusive of HST *<br>2021 Inclusive of HST**<br>2022 Inclusive of HST**<br>2023 Inclusive of HST**<br>2024 (Jan–Apr) Inclusive of HST**<br>Total Award |
|                             | \$120,000.00 |                                                                                                                                                                         |
|                             | \$120,000.00 |                                                                                                                                                                         |
|                             | \$120,000.00 |                                                                                                                                                                         |
|                             | \$ 40,000.00 |                                                                                                                                                                         |
|                             | \$480,000.00 |                                                                                                                                                                         |
| Budget Remaining            | \$ 0.00      |                                                                                                                                                                         |

\*Cost of award is estimated based on prior year actual requirements.

\*\*Subject to Council approval of the annual operating budgets.

Saunders Plumbing & Heating Inc. (Saunders) is the current plumbing service provider at an hourly rate of \$47/hour. The existing plumbing contract has been in place since May 2016 and expires in May 2020, Saunders has maintained the same hourly rate since 2016.

Under this new contract, the hourly rate has increased to \$55/hour (17% increase).

Though this is a significant increase, similar to the old contract, the hourly rate will stay fixed until 2024. Therefore, for the 4 year contract term, the annual increase is 4.25% (17% / 4 years) compared to previous hourly rate or a 2.16% annual increase compared to the 2016 hourly rate over the 8 years (17% / 8 years).

**ENVIRONMENTAL CONSIDERATIONS:**

All waste will be disposed of at an authorized dump, waste treatment site or recycling facility by the Contractor, and will be disposed of in accordance with applicable by-laws and regulations.

**HUMAN RESOURCES CONSIDERATIONS:**

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

Not applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Recreation and Sustainability & Asset Management departments have historically been primary users of this contract and were involved in the RFP evaluation process of this award.

**RECOMMENDED BY:**

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Graham Seaman  
Director of Sustainability &  
Asset Management

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Trinela Cane,  
Commissioner, Corporate  
Services

**ATTACHMENTS:**

N/A