



Report to: General Committee

Meeting Date: March 22, 2021

SUBJECT:	078-R-15 Janitorial Cleaning Services for Various City Locations Contract Extension
PREPARED BY:	Jason Ramsaran, Facility Coordinator Ext 3526. Flora Chan, Senior Buyer Ext 3189

RECOMMENDATION:

- 1) That the report entitled “078-R-15 Janitorial Cleaning Services for Various City Locations Contract Extension” be received; and
- 2) That the contract for Janitorial Cleaning Services for various City locations be extended for one (1) year with National Cleaning Contractors from April 2021 to March 2022 in the 2019 (Pre-COVID) amount of \$441,587.24 (2021 - \$343,022.06 and 2022 - \$98,565.17) (inclusive of HST);
- 3) That the contract for additional janitorial cleaning services due to COVID-19 pandemic in the amount of \$171,088.60 inclusive of HST be awarded to National Cleaning Contractors; and
- 4) That the 2021 award amount of \$343,022.06 inclusive of HST be funded from various City Department’s Operating Budgets; and,
- 5) That the 2022 award amount of \$98,565.17 inclusive of HST be subject to Council approval of the 2022 operating budgets and that the award amount be amended to reflect changes to the various departments’ budget accounts as approved by Council during the 2022 budget process; and
- 6) That the Director, Sustainability and Asset Management and Senior Manager, Procurement and Accounts Payable be authorized to approve additional enhanced cleaning in the event other facilities open during 2021; and
- 7) That the additional cleaning requirements arising as a direct result of COVID-19 in the amount of \$171,088.45 (\$99,897.13 + \$71,191.32) inclusive of HST be charged directly to the COVID-19 cost centre and that it be funded from the COVID-19 Reserve by an amount determined as part of the 2021 year-end process; and
- 8) That the tendering process be waived in accordance with the City’s Purchasing By-law # 2017-8, Part II, Section 11.1(c), Non Competitive Procurement which states, “when the extension of an existing Contract would prove more cost-effective or beneficial”; and
- 9) That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

To obtain approval to extend the contract for janitorial cleaning services for various city locations for one (1) year from April 2021 to March 2022 at the same (2020/2021) itemized pricing.

BACKGROUND:

The City currently has a service contract for regular janitorial cleaning at twenty-seven (27) locations. Due to the pandemic, the City is undertaking the following when it comes to this contract:

1. Locations where pre-COVID cleaning remaining the same
2. Locations where cleaning has been reduced or suspended
3. Locations where cleaning has been enhanced
4. New locations been added for additional cleaning

1. Locations where pre-COVID cleaning remaining the same

#	location	Service Level	Pre-Covid Monthly Cost	Covid Monthly Cost	Variance Increase or (Decrease)
1	Civic Centre	Status Quo	\$ 12,574.13	\$ 12,574.13	\$ -
2	Markham Train Station	Status Quo	\$ 792.85	\$ 792.85	\$ -

2. Locations where cleaning has been reduced or suspended

#	location	Service Level	Pre-Covid Monthly Cost	Covid Monthly Cost	Variance Increase or (Decrease)
3	Markham Theatre	Reduction	\$ 3,980.64	\$ 1,990.33	\$ (1,990.31)
4	Stiver Mill	Reduction	\$ 354.19	\$ 132.29	\$ (221.90)
5	Old Unionville Library	Suspended	\$ 775.14	\$ -	\$ (775.14)
6	Unionville Train Station	Suspended	\$ 424.80	\$ -	\$ (424.80)
7	Aaniin CC & Library	Suspended	\$ 2,363.15	\$ -	\$ (2,363.15)
8	Womens Institute	Suspended	\$ 538.31	\$ -	\$ (538.31)
					\$ (6,313.61)

3. Locations where cleaning has been enhanced

#	location	Service Level	Pre-Covid Monthly Cost	Covid Monthly Cost	Variance Increase or (Decrease)
9	Markham Village Library	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 2,916.42	\$ 3,001.22	\$ 84.80
10	Thornhill Village Library	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 709.01	\$ 793.81	\$ 84.80
11	Unionville Library	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 1,620.92	\$ 1,705.72	\$ 84.80
12	Operation Yard (Miller Ave)	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 1,984.85	\$ 2,432.59	\$ 447.74
13	Central Park Shop	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 372.37	\$ 820.11	\$ 447.74
14	West Parks Shop	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 264.29	\$ 712.03	\$ 447.74
15	8100 Warden Ave	Enhanced - additional sanitizing & disinfecting of high touch areas each day	\$ 3,184.47	\$ 4,789.18	\$ 1,604.71
					\$ 3,202.33

The cost is \$3,202.33 per month or \$38,427.96 annualized for # 9-15

#	location	Service Level	Pre-Covid Monthly Cost	Covid Monthly Cost	Variance Increase or (Decrease)
16-27	Parks Washrooms (x12)	Enhanced - One additional daily cleaning per washroom 7 days/week, - One deep clean per washroom 1 day/week, - 2 additional months of operation in 2021 from April 1 to October 31 (7 months) Note: The current contract includes seasonal daily cleaning of 12 park washrooms from May 14 to October 9 (5 month). recommends the following additional services	\$ 7,887.76	\$ 16,669.07	\$ 8,781.31
					\$ 8,781.31

The cost is \$8,781.31 per month or \$61,469.17 for 7-month period. The total cost for the enhanced cleaning is \$99,897.13 (\$38,427.96 and \$61,469.17). See recommendation 7.

4. New locations been added for additional cleaning – due to COVID-19

The following locations are being added on a month-to-month basis and will be discontinued after the pandemic ends.

LOCATION	Service Level	Pre-Covid Monthly Cost	Covid Monthly Cost	Variance Increase
Fire stations (x8)	Added - Cleaning of all washrooms in all 8 fire stations once per day 7 days/week	\$0.00	\$5,047.30	\$5,047.30
Pan Am Centre	Added - Basic cleaning (was previously done by internal staff)	\$0.00	\$793.73	\$793.73
Markham Village CC	Added - Basic cleaning (was previously done by internal staff)	\$0.00	\$91.58	\$91.58
				\$5,932.61

The cost is \$5,932.61 per month or \$71,191.32 annualized. See recommendation 7.

OPTIONS/ DISCUSSION:

The existing contract for janitorial cleaning services was awarded to National Cleaning Contractors in 2016 and is set to expire on March 31, 2021. While preparing to issue a bid to the market, Staff identified benefits in extending the existing contract with National Cleaning Contractors for an additional year (2021/2022).

Ongoing pandemic creates uncertainties to reopening of City's facilities

The ongoing COVID-19 pandemic has had significant impacts to the delivery of City services and facility operations. City's cleaning requirements have been revised continuously during the pandemic in response to facility closures, operational changes and staffing changes. While some contracted services were reduced due to closures, additional services were requested.

Extending the existing contract for an additional year is recommended

Due to the pandemic impacts, Staff believes it is not an appropriate time to transition the service contract to a new vendor, with possible personnel changes. National Cleaning Contractors has a proven track record, are very familiar with all service locations, and have the resources available to deploy for additional or urgent requirements (e.g. additional cleaning for high-touch areas, emergency cleaning). National Cleaning Contractors has the experience to respond quickly to changing service needs and have been very supportive with each change request during the pandemic. The extension of the current contract will ensure the continuity / consistency of existing services during this uncertain time.

Possible changes to future service requirements

Staff will review and refresh service requirements for the new tender, as we continue to review and plan for any necessary adjustments to the delivery of City services and facility operations, in accordance with recommendations from public health, the Government of Ontario's *COVID-19 response framework: keeping Ontario safe and open* and the City of Markham's *Response, Recovery & Reinvention Plan*.

FINANCIAL CONSIDERATIONS:

1. Contract Extension

National Cleaning Contractors have agreed to continue provide contracted services at the current 2020/2021 prices.

Note: The following table summarizes the financial impact of this contract extension award for a 12-month period and does not include the additional cleaning expenses due to COVID-19 pandemic.

Budget Available	\$343,022.06	Various operating accounts
Cost of award	\$343,022.06	2021 (Apr-Dec) *
	\$ 98,565.17	2022 (Jan-Mar)**
	\$441,587.24	Total Award (Inclusive of HST)
Budget Remaining	\$ 0	

*The cost of award is based on 2019 Pre-Covid regular operations. As services at some locations have been reduced, City will be billed based on reduced services required at each location, until regular operations are resumed.

**Subject to Council approval of the 2022-operating budget for the services from January 2022 to March 2022 award.

2. Additional Cleaning requirements due to COVID-19 Pandemic

The estimated cost of additional cleaning requirements due to the pandemic for contracted locations and new locations in the amount of \$171,088.45 will be charged to the COVID-19 cost centre. At the end of 2021, Finance staff will determine how these COVID related expenses will be funded, and may include external funding received from the COVID-19 Recovery Fund that will be transferred to the COVID-19 Reserve.

OPERATING BUDGET AND LIFE CYCLE IMPACT:

As the cost of award is estimated based on regular operations, there is no incremental impact to the operating budget. There is no incremental impact to the Life Cycle Reserve Study. Any favourable variance due to service suspension or reduction will be reported as part of the 2021 operating budget results.

ENVIRONMENTAL CONSIDERATIONS:

There is no environmental impact with this award.

HUMAN RESOURCES CONSIDERATIONS:

Not applicable. National Cleaning Contractors assumes the responsibility of recruitment, training, deployment of staff, payroll, insurance, workplace safety and other employer requirements.

LEGAL CONSIDERATIONS:

The City is subject to the following trade agreements, which apply to public sector procurements above a certain dollar threshold: the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Canadian Free Trade Agreement (CFTA), and the Ontario-Quebec Trade and Cooperation Agreement (OQTCA).

The recommended contract extension complies with the trade agreements.

ALIGNMENT WITH STRATEGIC PRIORITIES:

This project aligns with Building Markham's Future Together goal of Safe, Sustainable and Complete Community.

BUSINESS UNITS CONSULTED AND AFFECTED:

All affected business units have been consulted and have approved going forward with the award.

RECOMMENDED BY:

Graham Seaman
Director of Sustainability &
Asset Management Services

Trinela Cane,
Commissioner, Corporate