



Report to: General Committee

Meeting Date: April 19, 2022

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 two (2) years with National Cleaning Contractors from April 2022 to March 2024 in the annual amount of \$586,031.66 per year (inclusive of HST);
- 3) That the shortfall of \$160,554.01 anticipated on the regular janitorial cleaning services award be absorbed through the Parks operating budget in the amount of \$134,974.42 by reductions from personnel budgets, and the remaining shortfall of \$25,579.59 be adjusted through the 2023 operating budget process pending Council approval;
- 4) That the contract for additional janitorial cleaning services due to COVID-19 pandemic in the amount of \$62,405.81 per year inclusive of HST be awarded to National Cleaning Contractors; and
- 5) That the additional cleaning requirements arising as a direct result of COVID-19 in the amount of \$62,405.81 inclusive of HST be charged to the COVID-19 cost centre and be funded from the COVID-19 Reserve as part of the 2022 year-end process; and
- 6) That the Director, Sustainability and Asset Management and Senior Manager, Procurement and Accounts Payable be authorized to approve other additional enhanced cleaning requirements during this extension; and
- 7) 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
- 8) 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 two (2) years from April 2022 to March 2024.

BACKGROUND:

The City currently has a service contract for regular janitorial cleaning at thirty-four (34) locations. Due to the pandemic, the City is categorizing the work into two sections:

1. Locations where base cleaning remains the same as before the start of the pandemic.
2. Locations where cleaning has been enhanced or added since the start of the pandemic.

#	Location	Description	Regular Service	Estimate for COVID
1	Civic Centre	Pre-COVID service levels	\$153,681.00	-
2	Markham Train Station		9,514.20	-
3	Stiver Mill		4,250.28	-
4	Old Unionville Library		9,301.68	-
5	Aaniin CC and Library		28,357.80	-
6	Unvionville Train Station		5,097.60	-
7	Women's Institute		6,459.72	-
8	East Works Yard	New site since November 2021 opening	26,815.80	-
9	Parks Washrooms (17 locations)	Now fully outsourced - previously serviced by a combination of contractor and part-time seasonal staff	161,612.18	-
10	Markham Theatre	Enhanced services - additional sanitizing and disinfecting of high touch areas as required based on performance schedules (estimated)	47,767.68	12,211.20
11	Markham Village Library	Enhanced services - additional sanitizing and disinfecting of high touch areas each day	34,997.04	947.28
12	Thornhill Village Library		8,508.12	5,683.08
13	Unionville Library		19,451.04	947.28
14	Operations Yard (Miller Ave.)		23,818.20	5,372.88
15	Central Park Shop		4,787.64	5,372.88
16	West Parks Shop		3,398.04	5,372.88
17	8100 Warden Ave.		38,213.64	21,125.40
18	Princess Park Shop	Additional location for COVID related monthly cleaning as required.	-	5,372.93
Total			\$586,031.66	\$62,405.81

The annual cost of \$586,031.66 will be funded from various City Department's Operating Budgets and \$62,405.81 will be charged to the COVID-19 cost centre and funded from the COVID-19 Reserve as part of the 2022 year-end process.

Item 9 refers to 17 park washrooms previously serviced by a combination of contractor and parks part-time seasonal staff. The Department has indicated that outsourcing this work improves safety and is more efficient. Pending Council approval, the 2023 Budget will reflect budget reallocations from personnel to contract services.

One location (item 18 – Princess Park Shop) is being added on a month-to-month basis and will be discontinued if it no longer requires service.

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, 2022. While preparing the bid issuance to the market, Staff identified benefits in further extending the existing contract with National Cleaning Contractors for two (2) additional years (2022-2024).

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 two additional years is recommended

Due to the pandemic impacts, Staff believe it is not an appropriate time to transition the service contract to a new vendor. 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 to provide contracted services at the current 2021/2022 prices except for three sites that were impacted by the minimal wage increase (\$3,000 impact on the overall annual contract).

The following table summarizes the financial impact of this contract extension award for a 12-month period excluding for the additional cleaning expenses due to COVID-19 pandemic.

Budget Available	\$425,477.65	Various operating accounts
Cost of award	\$479,928.24	2022 (Apr – Dec)
	<u>\$106,103.42</u>	2023 (Jan – Mar)
	\$586,031.66	Total Award Inclusive of HST)
Budget Remaining	(\$160,554.01)	To be reallocated pending approval of the 2023 Budget
Budget Reallocation	134,974.42	
Budget Shortfall	\$25,579.59	

Operating Budget Impact

The shortfall of \$160,554.01 for full-year is due to the following:

- \$134,974.42 – outsourcing all park washroom cleaning services and 5 new park washroom locations. This is primarily due to the portion of parks washroom cleaning services previously undertaken in-house are now included in this contract. The unfavourability in Parks Contracted Services will be offset by favourability in Parks part time budget in 2022 and the operating budget will be reallocated accordingly as part of the 2023 operating budget process, subject to Council approval.
- \$22,579.59 – the new East Works Yard salt dome cleaning was not included in the 2022 operating budget (budget included the trailer only). This unfavourability will be reported as part of the 2022 operating budget year-end results and the 2023 operating budget will be adjusted accordingly, subject to Council approval.
- \$3,000 – the contractor's impact from the minimum wage increase from \$14.35 to \$15 effective January 1, 2022.

Any favourable variance due to service suspension or reduction will be reported as part of the 2022 operating budget results.

2. Additional Cleaning requirements due to COVID-19 Pandemic

The estimated cost of additional cleaning requirements due to the pandemic for contracted locations and one new location in the amount of \$62,405.81 will be charged to the COVID-19 cost centre. At the end of 2022, Finance staff will determine how these COVID-19 related expenses will be funded, and may include funding from the COVID-19 Reserve.

LIFE CYCLE IMPACT:

There is no incremental impact to the Life Cycle Reserve Study.

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