



Report to: General Committee

Meeting Date: December 6, 2022

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**SUBJECT:** Request for Proposal 188-R-22 Thornlea Pool Maintenance

**PREPARED BY:** Darius Chung, Senior Buyer, Ext. 2025  
Martin Barrow, Facility Coordinator, Ext. 3788

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**RECOMMENDATION:**

1. That the report entitled “Request for Proposal 188-R-22 Thornlea Pool Maintenance” be received; and,
2. That the contract for Request for Proposal 188-R-22 Thornlea Pool Maintenance Services be awarded to the sole bidder, PPL Aquatic, Fitness & Spa Group Inc. for a term of two (2) years in the total amount of \$425,336.44 inclusive of HST as per the following;
  - January 1, 2023- December 31, 2023 - \$212,668.22
  - January 1, 2024- December 31, 2024 - \$212,668.22

**Total: \$425,336.44**
3. That the contract include an option for the City (in its sole discretion) to extend the contract for up to three (3) additional one (1) year terms. Pricing will be firm for the first two years of the contract and prices in years three, four and five will be subject to Consumer Price Index (CPI) increase (All-Items Ontario March) to a maximum of 4%; and,
4. That the Director of Recreation and Senior Manager of Procurement & Accounts Payable be authorized to extend the contract for an additional three (3) one year periods subject to Council’s approval of the annual operating budget, vendor performance, and an increase based on the CPI (All-Items Ontario March) to a maximum of 4%; and
5. That the award be funded from the Recreation Service facility maintenance account 501-911-5314, subject to Council approval of the 2023-2027 operating budgets; and further,
6. The annual shortfall of \$25,668.22 be captured as part of the 2023 contract escalations and adjusted accordingly, subject to Council approval of the 2023-2027 operating budgets.
7. 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 ongoing routine maintenance at the Thornlea Pool for a term of two (2) years and with the option to renew for an additional three (3) years.

**BACKGROUND:**

The Thornlea Pool is an 18,500 square foot facility which includes a pool, gymnasium, class rooms and change rooms. This facility was built in 1972 and was assumed from the York Region District School Board in 2013. In November 2013, PPL Aquatic, Fitness & Spa Group Inc. was awarded the all-inclusive building and maintenance service contract (243-R-13) and has been maintaining the facility since. Some of the work includes but is not limited to:

- Staffing from 6:00 a.m. - 11:30 p.m., seven (7) days a week, including holidays and inspection from supervisors twice a week;
- Property watch and inspection;
- Pool services and maintenance including testing and repair:
- Exterior and interior cleaning services; and
- Property maintenance including snow removal.

City's responsibilities:

- Provide the Contractor with pool chemical supplies through the City's existing contracts;
- Provide the Contractor with paper and cleaning supplies through the City's existing contracts;
- Perform semi-annual customer satisfaction surveys as needed with the purpose of identifying and prioritizing areas for improvement for the contractor;
- Provide storage based space;
- Provide access to all equipment;
- Provide a list of approved contractors for repairs such as electrical, mechanical, plumbing, pool equipment, etc;
- Provide keys for access to all required areas.

The Thornlea Pool Restoration project was awarded in July 2022 and is anticipated to be completed by January 1, 2023. This contract will commence upon completion of the restoration with 30-days' notice.

**BID INFORMATION:**

Bid closed on	February 11, 2022
Number picking up bid document	3
Number responding to bid	1*

\*This is a niche service with limited local suppliers. Procurement held a mandatory site meeting and only two contractors attended and only 1 bid. The other bidder was unable to quote competitively.

**PROPOSAL EVALUATION:**

The Evaluation Team was comprised of staff from the Recreation Services and staff from the Procurement Department, acting as the evaluation facilitator.

The evaluation was based on pre-established evaluation criteria as outlined in the Request for Proposal: Qualifications and Experience of the Bidder 25%, Operating Practices, Procedures, Methodology and Preventative Maintenance Program 25%, Proposed Team and Resources 10%, Reporting, 10%, and Price 30%, for a total of 100% with the resulting score as noted below.

<b>Bidder</b>	<b>Total Score (100 points)</b>
PPL Aquatic, Fitness & Spa Group Inc.	92

PPL Aquatic, Fitness & Spa Group Inc. (PPL) was the sole bidder in 2013 RFP (242-R-13) and was the sole bidder again for this tender. PPL has been servicing Thornlea Pool at a high level for almost 10 years and staff are pleased with their performance and attention to detail. They also provide pool and building maintenance for other recreational pools in the Greater Toronto Area.

**FINANCIAL CONSIDERATIONS:**

<b>Account #</b>	<b>Account Name</b>	<b>Location</b>	<b>Annual Budget Available</b>	<b>Cost of Award</b>	<b>Budget Remaining</b>
501-911-5314	Facility Maintenance	Thornlea Pool	\$187,000	\$212,668	(\$25,668)

The annual budget of \$190,377.12 is based on pre-pandemic labour and inflation costs based on our contract from 2013-2019. Only one bid was received which exceeded the budget by 25%.

Staff negotiated with PPL and reduced the cost per year in 2023-2024 from \$238,525.44 to \$212,668.22 (\$25,857.22 or 11% reduction) by reducing staff starting time from 5:00am to 6:00am and ending at 11:30pm instead of 1:00am thereby reducing hours and avoiding night time premiums. Recreation program schedule will adjust slightly to accommodate.

In addition, PPL will offer a 2% early payment discount (net 15 days) that the City intends to attain.

After negotiations there is an increase of \$22,291.10 per year (\$212,668.22-\$190,377.12) or a 12% increase from the 2013-2019 contract. The increase is attributed to increased cost of labour however remains good value considering inflation increase has been greater than 20% from 2013 to 2022.

By awarding this contract, the City will be able to maintain service levels and fixed pricing from 2023-2024 and avoid any potential for large market increases from 2025-2027 seeing a maximum of 4% for each optional extension period.

## **OPTIONS AND DISCUSSIONS**

The Thornlea Pool requires at a minimum four staff on site to provide coverage for the hours the building is open. Upon factoring the cost of wages, benefits, and liabilities, it is more cost-effective to outsource these service requirements than to provide these services through in-house staff. Recreation staff estimate the requirement for four staff may cost upwards of \$320,000 (\$80,000 x 4) per year as opposed to this award for \$212,668 per year.

Continuous 24 hour, 7 days a week pool and building maintenance with staffing from 5:00am – 11:30pm is a niche service with limited local providers. Recreation Services has been satisfied with ongoing service of PPL and support awarding this contract despite only having 1 bid as a result.

## **OPERATING BUDGET AND LIFE CYCLE IMPACT**

The annual shortfall of \$25,668.22 will be captured as part of the 2023 contract escalations and adjusted accordingly, subject to Council approval of the 2023-2027 operating budgets. There is no impact to the Life Cycle Replacement and Capital Reserve.

## **ENVIRONMENTAL CONSIDERATIONS**

The maintenance contract includes interior and exterior services using environmentally sustainable cleaning products. All pool chemicals and some equipment will be provided through existing City contracts.

## **HUMAN RESOURCES CONSIDERATIONS**

Not Applicable.

## **ALIGNMENT WITH STRATEGIC PRIORITIES:**

<b>Goal</b>	<b>Examples – How the Solution can Help Achieve the Goal</b>
Exceptional Services by Exceptional People	PPL has been providing excellent and reliable facility maintenance for Thornlea Pool for just under 10 years.
Engaged, Diverse & Thriving City	Supports clean and safe facilities for users of Markham facilities.
Safe & Sustainable Community	Continuous pool and building maintenance including routine cleaning is imperative to operating a safe and sustainable pool for users.
Stewardship of Money & Resources	Being a niche service with limited providers, this initiative supports long lasting relationships with local business providers who support the community.

## **BUSINESS UNITS CONSULTED AND AFFECTED:**

Comments from Recreation and Finance have been incorporated into this report.

**RECOMMENDED BY:**

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Mary Creighton,  
Director, Recreation Services

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Eddy Wu,  
Acting Commissioner, Community Services

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Trinela Cane,  
Commissioner, Corporate Services