



Report to: General Committee

Meeting Date: May 14, 2024

SUBJECT: 012-R-24 Janitorial and Carpet Cleaning Service GC Report

PREPARED BY: Darius Chung, Senior Buyer, Ext. 2025
Jason Ramsaran, Facility Assets Coordinator, Ext. 3526
Joanna Chan, Senior Financial Analyst, Ext. 2073

RECOMMENDATION:

1. That the report entitled “012-R-24 Janitorial and Carpet Cleaning Service GC Report” be received; and,
2. That the contract for City-Wide Cleaning Services be extended for seven months from June 1, 2024 – December 31, 2024 in the amount of \$322,866.16 (Incl. HST) at the same terms, conditions and pricing from 2022/2023; and
3. That the contract extension in the amount of \$322,866.16 (Incl. HST) be awarded to National Cleaning Contractors; and
4. That the seven-month contract extension be funded by available funding from various departments’ 2024 operating budget; and,
5. 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
6. That the Director, Sustainability and Asset Management and Senior Manager, Procurement and Accounts Payable be authorized to add additional parks facilities opening in 2024 to the cleaning contract; and
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 extend the current contract for seven months (June 1, 2024 – December 31, 2024) at the same terms, conditions and itemized pricing from 2022/2023. This will allow the City to issue a new Request for Proposal for a new cleaning contract to commence in 2025.

BACKGROUND:

In 2016 “National Cleaning Contractors” was awarded contract 078-R-15 Janitorial & Carpet Cleaning Services for a term of one year from April 1, 2016 to March 31, 2017 with the option to renew for 4 additional one-year terms, which were subsequently exercised until March 31, 2021.

In 2021, Council approved extending the contract for 3 years from April 1, 2021 – March 31, 2024 due to impacts related to the Covid-19 pandemic. The contract was further extended until May 31, 2024 through Commissioner’s approval.

The 2016 contract began with 21 locations that required routine cleaning services, however, 2 locations were removed (Armada and Thornhill). Since 2016, 14 sites were added to the list of locations, and as of today a total of 33 sites receive janitorial services under the current contract. The sites are as follows.

2016 locations (21)

1. 8100 Warden	12. Stiver Mill
2. Central Parks	13. West Parks Yard
3. Markham Civic Centre	14. Women’s Institute
4. Markham Village Library	15. St Roberts Dome Washrooms
5. Markham Train Station	16. Bill Crothers Park Washrooms
6. Old Unionville Library CC	17. Victoria Square Park Washrooms
7. Operations Yard	18. Mint Leaf Park Washrooms
8. Markham Theatre	19. Millenium Park Washrooms
9. Thornhill Village Library	20. Armadale Community Centre*
10. Unionville Library	21. Thornhill Community Centre*
11. Unionville Train Station	

*These two locations were deleted from the contract and is now completed by City Staff.

Added locations (14)

1. Angus Glen Tennis Centre	8. Box Grove Community Park Washrooms
2. 160 Dudley Avenue	9. Cornell Community Park Washrooms
3. East Markham Works Yard	10. Yarl Cedarwood Park Washrooms
4. Berczy North Park Washrooms	11. Riseborough Park Washrooms
5. Morgan Park Washrooms	12. Milliken Mills Park Washrooms
6. Grandview Park Washrooms	13. Gordon Stollery Park Washrooms
7. Milne Dam Washrooms	14. Too Good Pond Park Washrooms

Celebration Park (120 Kirkham Dr.) and Wismer Park (980 Bur Oak Avenue) washroom buildings are scheduled to open in 2024 and will be added to the extended contract. If required, the upset limit of the contract will be adjusted as per the Expenditure Control Policy, with additional costs absorbed and managed within existing 2024 budgets.

OPTIONS AND DISCUSSIONS:

The existing contract for city-wide cleaning services was awarded to National Cleaning Contractors in 2016 and is set to expire on May 31, 2024.

Late in 2023 a Request for Proposal was drafted, however release was postponed and contract extended on a month to month basis in order to re-assess current service levels, potential opportunities for improvement, cleaning routines, new sites opening, and past and future labour and material increases.

Direct negotiations with the incumbent lead to agreeing on extending our existing agreement at the current terms, conditions and pricing until December 31, 2024 in order to maintain service levels and pricing.

Staff believes this is not an appropriate time to transition the service contract to a new vendor, due to possible service disruptions and cost increases. Staff will plan to issue an RFP for janitorial services in the coming months in 2024, for 2025 onwards, and funding will be requested as part of the 2025 budget process.

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 during the pandemic. The extension of the current contract will ensure the consistency of existing services.

FINANCIAL CONSIDERATIONS:

The annual cost of the contract has been consistent from a cost perspective as extensions have been exercised with no inflationary increases for all 8 contract years with the only increases being as a result of a minimum wage increases in 2018 and in 2022 and additional sites being added to the contract.

Budget Available	\$322,866.16	Various operating accounts*
Cost of award	\$322,866.16	2024 (June-December)
Budget Remaining	\$ 0.00	

* Each facility location has its own dedicated janitorial services account with available budget for the year. The contract extension will be managed within the existing budgets in those accounts and staff anticipate there will be no funding pressure in 2024.

By awarding this extension, the City will be able to maintain services levels and fixed pricing for the remainder of 2024 and avoid further cost pressures, such as potential inflationary increases due to wage increases and cost of material. 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

OPERATING BUDGET AND LIFE CYCLE IMPACT

As the cost of award is estimated based on regular operations, staff anticipate that adequate funding has been built into the 2024 operating budget and that there is no incremental impact to budgets as a result of the service extension.

ALIGNMENT WITH STRATEGIC PRIORITIES:

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

BUSINESS UNITS CONSULTED AND AFFECTED:

All affected business units have been consulted.

RECOMMENDED BY:

Graham Seaman,
Director, Sustainability and
Asset Management

Trinela Cane,
Commissioner, Corporate Services

Andy Taylor,
Chief Administrative Officer