



Report to: General Committee

Meeting Date: October 22, 2024

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**SUBJECT:** Award of Contract #024-R-24 Citywide Security Guard Services

**PREPARED BY:** Darius Chung, Senior Buyer, Ext. 2025  
Eric Lizotte, Manager, Corporate Security, Ext. 2710  
Joanna Chan, Senior Financial Analyst, Ext. 2073

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**RECOMMENDATION:**

1. That the report entitled “Award of Contract #024-R-24 Citywide Security Guard Services” be received; and,
2. That the contract be awarded to the highest ranked / lowest priced bidder, Paladin Security Group Ltd, for a term of two years in the total amount of \$869,901.17 inclusive of HST as per the following;  
November 1, 2024 - October 31, 2025 - \$434,950.85  
November 1, 2025 - October 31, 2026 - \$434,950.85  
Total: \$869,901.17; and,
3. That the contract includes an option for the City (in its sole discretion) to extend the contract for up to four additional one-year terms. Pricing will be firm for the initial term of the contract (2024-2026), and options to extend in years 3-4 (2026-2028) and years 5-6 (2028-2030) will be subject to Consumer Price Index (CPI) increase to a maximum of 4%; and,
4. That the Director of Sustainability & Asset Management and Senior Manager of Procurement & Accounts Payable be authorized to extend the contract for an additional four, one-year periods subject to adoption of the annual operating budget, vendor performance, and an increase based on the CPI to a maximum of 4% in years three and five; and
5. That the award in the amount of \$434,950.85 (inclusive of HST) be funded from account 750-751-5312 (Security Guard Services); and
6. That staff be authorized to award a one-year pilot program in the amount of \$170,503.77 inclusive of HST for the mobile security guard services; and
7. That the Commissioner, Corporate Services and Treasurer be authorized to extend the pilot program for mobile security guard services from November 1, 2025 – October 31, 2026 pending the success of the program and extension years from November 1, 2026 – October 31, 2030, in the additional annual amount of \$170,503.77 inclusive of HST per year; and
8. That the award amounts in 2025 to 2030 be subject to Council adoption of the respective annual operating budgets; and

9. That the shortfall for the period November 1, 2024 – December 31, 2024 be reported as part of the 2024 year-end results of operations and that the operating budget starting in 2025 be adjusted accordingly for the contract escalation and extension of the pilot for mobile security guard services, if approved, subject to adoption of the 2025-2030 operating budgets; and
10. 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 for the following:

1. Award the contract for both routine and on-demand citywide security guard services.
2. Award the contract for mobile security guard services (dedicated uniformed mobile patrol).

**BACKGROUND:**

This Contract is for on-site security guard services at the Markham Civic Centre, located at 101 Town Centre Boulevard, along with dedicated mobile patrol services and additional security services at other City locations on an as-needed basis.

The purpose of the Contract is to protect people and property, maintain order and promote good relationships amongst the general public, employees and representatives of the City. The City’s security program focuses on the preventative and deterring principles to guide security guards and minimize risk. The Contractor will be considered an agent of the City of Markham for protection of persons and property.

Guard services utilized by the City work closely with York Regional Police. They are intended to supplement the protection afforded by the York Regional Police, as the presence of security is to avert situations which could subsequently become matters that involve the police.

**PROPOSAL INFORMATION:**

|                                |                 |
|--------------------------------|-----------------|
| Bid closed on                  | August 30, 2024 |
| Number picking up bid document | 25              |
| Number responding to bid       | 12              |

**PROPOSAL EVALUATION:**

The evaluation team was comprised of staff from Sustainability & Asset Management and staff from the Procurement Department acted 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 10%, Experience and Qualification of the Personnel 15%, Resource Management 30%, Quality Assurance 15%, and price 30%, for a total of 100% with the resulting score as noted below.

|                             |                                 |
|-----------------------------|---------------------------------|
| <b>Bidder</b>               | <b>Total Score (100 points)</b> |
| Paladin Security Group Ltd. | 87                              |

Paladin Security Group Ltd. is the incumbent and has been the citywide security guard service provider since their award in 2018. Since then, they have proven to be reliable and Staff are pleased with their performance and attention to detail. They also provide security guard services for City of Pickering, Brampton and Kingston, and a number of private organizations.

**OPTIONS AND DISCUSSIONS:**

In June 2024, senior staff including the Commissioner, Corporate Services, the Treasurer, and Director of Sustainability & Asset Management endorsed a recommendation to pilot a 1-year program to add a dedicated uniformed mobile patrol within the City in response to a growing number of incidents spanning from 2021-2023, particularly in community centres and libraries.

The intent of this pilot is to provide fast physical support and security presence for all departments and City facilities after-hours and weekends. This mobile patrol will proactively patrol facilities and City property to mitigate instances such as illegal dumping, break and enters, homeless encampments, graffiti/vandalism, and other harmful behavior. Additional benefits expected include reduced overtime due to after-hours facility alarm calls, parks/operations calls, vandalism and damages.

The one-year uniformed mobile patrol pilot program is expected to cost \$170,503.77. Staff will monitor the pilot to determine outcomes and report to senior staff including the Commissioner, Corporate Services, Treasurer, and Director of Sustainability & Asset Management towards the end of the one-year pilot with a recommendation to continue or discontinue dependent on the performance of the vendor, demonstrated benefits of the service, and City security priorities.

**FINANCIAL CONSIDERATIONS:**

|                          |   |  |
|--------------------------|---|--|
| Recommended bidder       | Paladin Security Group Ltd. (lowest priced / highest ranked bidder) |  |
| Current budget available | \$ 416,671.00   | 750-751-5312 (Security Guard Services) |
| Less cost of award       | \$ 605,454.62   | November 1, 2024 – October 31, 2025*   |
|                          | \$ 434,950.85   | November 1, 2025 – October 31, 2026**  |
|                          | \$ 434,950.85   | November 1, 2026 – October 31, 2027**  |
|                          | \$ 434,950.85   | November 1, 2027 – October 31, 2028**  |
|                          | \$ 434,950.85   | November 1, 2028 – October 31, 2029**  |
|                          | \$ 434,950.85   | November 1, 2029– October 31, 2030**   |
|                          | \$ 2,780,208.87   | Total cost of award (Incl. of HST)     |
| Budget shortfall         | (\$ 188,783.62)   | ***                                    |

\*Cost of award in year 1 includes a pilot program for additional mobile security guard services valued at \$170,503.77. Personnel include 1 full-time supervisor, 40 hours a week, 6 full-time security guards 24 hours a day, 7 days a week, and 2 full-time mobile patrol guards for 12 hours a day, 7 days a week.

\*\*Subject to Council adoption of the annual operating budgets. Years 3 and 5 are subject to Consumer Price Index (CPI) increase to a maximum of 4%.

\*\*\*The budget shortfall of \$188,783.62 is due to 1) the additional mobile security of \$170,503.77; and 2) contract escalation due to anticipated future contractor wages increases of \$18,279.85.

From 2018-2024 the contract cost rose by 9% to an annual cost of \$422,250.18. Under this new contract starting on November 1, 2024, the annual cost for the service is \$434,950.85 or 3% higher than our current cost. The cost increase is mainly due to an anticipated minimum wage increase on October 1, increasing from \$16.55/hour to \$17.20/hour.

Labour costs in comparison to other security firms bidding on this contract is fair with the lowest being \$434,950.85 / year and the highest being \$484,491.77 / year amongst bidders that met the tender requirements, excluding additional mobile security.

**ENVIRONMENTAL CONSIDERATIONS:**

Not Applicable.

**OPERATING BUDGET AND LIFE CYCLE IMPACT**

The portion of budget shortfall that is due to contract escalation and any subsequent CPI increases will be adjusted as part of the 2025-2030 operating budgets subject to adoption.

The cost related to the one-year pilot program will result in an unfavourable variance for 2024-2025, and will be reported as part of the 2025 year-end results of operations (offset by any favourability in other city expenditures). If the one-year pilot program is deemed successful, the proposed operating budget will be increased accordingly and with the same cost escalation as applied to the overall contract, subject to adoption of future operating budgets.

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

**HUMAN RESOURCES CONSIDERATIONS:**

Not applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

| Goal                                       | Examples – How the Solution can Help Achieve the Goal  |
|--|--|
| Exceptional Services by Exceptional People | Paladin Security Group Ltd. has been providing excellent and reliable citywide security guard services for the last 6 years. |
| Engaged, Diverse & Thriving City           | Supports safe facilities for users of Markham facilities.  |
| Safe & Sustainable Community               | Security guards are imperative to operating safe and sustainable facilities for users and staff.                             |
| Stewardship of Money & Resources           | This competitive procurement demonstrates good value for the City.   |

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Comments from Sustainability and Asset Management, and Finance have been incorporated into this report. Operations, Recreation, Culture and Library are supportive of the mobile pilot program.

**RECOMMENDED BY:**

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Graham Seaman,  
Director, Sustainability and  
Asset Management

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Trinela Cane,  
Commissioner, Corporate Services

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Andy Taylor,  
Chief Administrative Officer