



CITY OF VANCOUVER

ADMINISTRATIVE REPORT

Report Date: June 7, 2007
Author: Ted Batty/
Co-Author: Karen Wong
Phone No.: 604-326-4676/
604-873-7259
RTS No.: 066779
VanRIMS No.: 03-1200-30
Meeting Date: June 26, 2007

TO: Vancouver City Council

FROM: General Manager of Engineering Services,
Manager of Materials Management

SUBJECT: Award of Contract on Request for Proposal PS07035 - Janitorial Services

RECOMMENDATION

- A. THAT, subject to the conditions set out in Recommendations B, C, D, Council authorize a contract with Executive Building Maintenance Inc. for janitorial services for a period of three (3) years at an estimated cost of \$473,704 plus GST (less any municipal rebate received) and PST with a subsequent renewal option of two (2) one-year extensions. The source of the funding for the contract will be the Engineering Services operating budget.
- B. THAT the Director of Legal Services be authorized to execute on the City's behalf the contract referred to in Recommendation A.
- C. THAT all such legal documents be on terms and conditions satisfactory to the General Manger of Corporate Services, Manager of Materials Management and the Director of Legal Services.
- D. THAT no legal rights or obligations will be created by Council's adoption of Recommendation A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services.

COUNCIL POLICY

Contracts with a value over \$300,000 must be approved by Council.

PURPOSE

The purpose of this report is to recommend that Council authorize a three-year contract with the option for two additional one-year extensions to Executive Building Maintenance Inc. to provide janitorial services to certain City and Vancouver Board of Parks and Recreation ("VPB") facilities. This recommendation is based on responses to Request for Proposal ("RFP") PS07035. The award of the contract in respect of the VPB facilities will be approved separately by the Park Board.

BACKGROUND

The City's current provider has been providing services to Manitoba Works Yard, National Works Yard, Kent Avenue Yard, and the Vancouver South Transfer Station on a month-to-month basis. The VPB's janitorial contract for Roundhouse Community Centre, Coal Harbour Community Centre and Evans Work Yard has expired and VPB expressed an interest in participating in the competitive bid process and consolidating the services under one joint contract.

It was determined that a competitive process was required to improve service levels through contract management and align other facilities with a single service provider.

Several objectives were established for the purpose of the RFP. A longer term contract, consolidate the services in one contract and select a contractor with good environmental practices. These objectives would provide continuity in service, reduce administration costs and reduce the use and disposal of hazardous materials and minimize waste production.

DISCUSSION

On March 13, 2007 Materials Management issued the RFP which closed on April 10, 2007. An evaluation team was formed from representatives of the Engineering Services, Yards Branch and the City and VPB purchasing staff.

Evaluation criteria included staff training programs; reference checks on servicing multiple facilities, and environmental commitment and practices.

Ten proposals were received and through a comparative evaluation process, it was determined that Executive Building Maintenance Inc. represented best value to the City by providing added value services at no additional cost to the City, their commitment to environmental and ethical business practices as well as a management team committed to upholding service levels and contract management.

ENVIRONMENTAL IMPLICATIONS

One of the objectives of the RFP was to select a contractor committed to the use of environmentally sensitive products, services and techniques. Areas where environmental concerns are relevant include the selection of cleaning products, waste disposal, hazardous waste disposal, supplies, minimizing waste production, recycling and reduction of energy consumption.

Executive Building Maintenance Inc. provided a statement of environmental commitment and ethical practices that are aligned with the objectives of this RFP.

FINANCIAL IMPLICATIONS

The proposal from Executive Building Maintenance Inc. offered the second lowest total cost at \$917,044 (\$443,340 for the VPB facilities and \$473,704 for the City facilities). The lowest total cost was \$771,039, however, cost was not the sole determinant as the evaluation team took a comprehensive approach to include environmental, ethical and training factors in the assessment. The lowest total cost offered little value and commitment to contract administration as well as environmental and ethical practices.

The cost for a three year contract with Executive Building Maintenance Inc. will be \$473,704 for the City facilities and \$443,340 for the VPB facilities for a total contract value of \$917,044 exclusive of GST or PST. The table below indicates the annual cost for the respective City and VPB facilities.

The funds for the City's portion of the contract will be the Engineering Services operating budget.

Vancouver Parks & Recreation:	Total Cost Year 1	Total Cost Year 2	Total Cost Year 3	Total Cost per Term
Coal Harbour Community Centre	\$33,600	\$33,600	\$34,608	\$101,808
Roundhouse Community Arts & Centre	\$46,680	\$46,680	\$48,072	\$141,432
Evans Service Yard	\$32,280	\$32,280	\$33,240	\$97,800
15% Equipment, supplies, materials (excludes consumables)	\$16,880	\$16,880	\$17,390	\$51,150
15% Management Fee and Overhead Costs	\$16,880	\$16,880	\$17,390	\$51,150
Sub-Total for Vancouver Parks & Recreation	\$146,320	\$146,320	\$150,700	\$443,340
Engineering Works Yards:				
Manitoba Works Yard	\$45,420	\$45,420	\$46,752	\$137,592

National Works Yard	\$45,468	\$45,468	\$46,836	\$137,772
Kent Avenue Yard	\$19,320	\$19,320	\$19,860	\$58,500
Vancouver South Transfer Station	\$10,080	\$10,080	\$10,380	\$30,540
15% Equipment, supplies, materials (excludes consumables)	\$18,040	\$18,040	\$18,570	\$54,650
15% Management Fee and Overhead Costs	\$18,040	\$18,040	\$18,570	\$54,650
Sub-Total for Engineering Works Yards	\$156,368	\$156,368	\$160,968	\$473,704
Cost per Year	\$302,688	\$302,688	\$311,668	\$917,044

CONCLUSION

In consideration of the advantage to entering into a long-term contract for the supply of janitorial services, the recommendation to contract with Executive Building Maintenance Inc. is deemed as the best value for the City based on meeting all the objectives and requirements of the RFP.

* * * * *