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Exhibition Place

ACTION REQUIRED

January 9, 2012

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for Sheet Metal Work specific to HVAC Systems**

Summary:

This report recommends that the Board enter into agreement with York Sheet Metal Ltd. for one year, commencing on February 1, 2012 to January 31, 2013, with option to extend for three additional one-year periods, for the supply of all labour, material and equipment necessary for the provision of sheet metal repairs, new installations and related work specific to HVAC systems to Exhibition Place.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Material Management Division (PMMD) for the provision of sheet metal repairs, new installations and related work specific to HVAC systems related services to Exhibition Place.

Recommendation:

It is recommended that the Board approve an agreement with York Sheet Metal Ltd. for a period of one (1) year, with the option to extend for an additional three (3) separate one (1) year periods, on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the CEO and City Solicitor.

Financial Impact:

The projected annual expenditure for sheet metal repairs, new installations and related work specific to HVAC services is \$31,215.00 and is provided for in the 2012 Operating Budget, and will be provided for in the 2013, 2014, and 2015 Operating Budgets.

Decision History:

The Exhibition Place 2009-2012 had an Infrastructure Goal to *Sustain our public assets and rolling equipment* and a Strategy to support this Goal to *design and implement a preventative maintenance program*.

In January 2010, York Sheet Metal Ltd. was awarded a one year contract with the option to extend for one additional one-year term, wherein the contract amount and option year term was within the authority of the Chief Executive Officer, commencing February 1, 2010, for the provision of sheet metal repairs, new installations and related work specific to HVAC services to Exhibition Place. The term of the option year is set to expire on January 31, 2012.

Issue Background:

Sheet Metal services provided by this agreement cannot be done in-house and the existing agreement for these services will expire on January 21, 2012.

Comments:

The RFQ specified the Board's requirements and service expectations and was accordingly structured in a manner that required bidders to list hourly rates for various personnel, as well as percentage mark-ups over invoice cost for all materials used. For comparison purposes, the hourly rates quoted were applied to projected annual requirements resulting in Total Lump Sum Prices. Firm prices were quoted for the first year with percentage increases for each of the three option years.

The RFQ closed on December 14, 2011 with two quotations received. The results exclusive of HST were as follows:

| Bidder | February 1, 2012 to January 31, 2013 | Percentage Increase Optional Year 1 | Percentage Increase Optional Year 2 | Percentage Increase Optional Year 3 |
|---------------------------|---|--|--|--|
| York Sheet Metal Ltd. | \$31,215 | 3% | 3% | 3% |
| Superior Air Systems Ltd. | \$32,140 | 3% | 3% | 3% |

The York Sheet Metal Ltd. quotation is the overall lowest acceptable bid received in compliance with all requirements.

Staff report favourably on the past performance of York Sheet Metal Ltd. at Exhibition Place. The City of Toronto Fair Wage and Labour Trades Office confirms that York Sheet Metal Ltd. is in compliance with the Fair Wage and Labour Trades requirements for this work.

York Sheet Metal Ltd. is based in Woodbridge, Ontario and has carried on business in sheet metal service, repairs and new installations since 1965. References include TCHC Realstar Management, Briarlane Property Management, Greenwin Property Management, HCR Property Management and Minto Management.

Staffs are recommending the approval of an agreement with York Sheet Metal Ltd. on the following terms and conditions:

- (a) Term: One year commencing February 1, 2012, on an as required basis, with the option to extend for three additional one-year periods subject to satisfactory performance review and budget availability.
- (b) Pricing: Pricing is to be fixed during the term of the Agreement in accordance with the terms of the RFQ.
- (c) Assignment: The agreement shall not be assigned by York Sheet Metal Ltd without written consent of the Board.

- (d) Indemnity/Insurance: York Sheet Metal Ltd shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (e) Union Obligations: York Sheet Metal Ltd shall comply with all trade union/association agreements affecting work done on the grounds.
- (f) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.

Contact:

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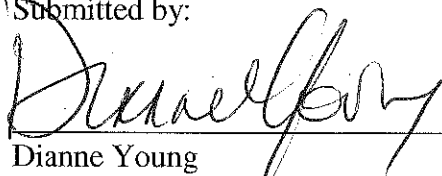
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Submitted by:



Dianne Young

Chief Executive Officer