



Exhibition Place

Item No. 19

April 21, 2015

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for the Provision of Housekeeping Services**

Summary:

This report recommends the Board enter into separate agreements with Kleenway Services Inc. and Impact Cleaning Services Ltd., for a one-year term commencing May 1, 2015 with the option to extend for an additional three (3) one-year periods, for the non-exclusive provision of Housekeeping Services as needed at Exhibition Place.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Materials Management Division (PMMD) for the non-exclusive provision of Housekeeping Services at Exhibition Place.

Recommendations:

It is recommended that the Board:

- 1) Approve an agreement with Kleenway Services Inc. as the primary housekeeping services provider for a one-year term commencing May 1, 2015, with the option to extend for an additional three (3) separate one year periods, on the terms and conditions outlined in this report, and other such terms and conditions satisfactory to the Chief Executive Officer and the City Solicitor;**
- 2) Approve an agreement with Impact Cleaning Services Ltd. as the supporting housekeeping services provider for a one-year term commencing May 1, 2015, with the option to extend for an additional three (3) separate one year periods, on the terms and conditions outlined in this report, and other such terms and conditions satisfactory to the Chief Executive Officer and the City Solicitor; and**
- 3) Direct that the confidential report contained in Attachment 1 to this report not be released publicly in order to protect the competitive position, future economic and legal interests of the Board.**

Financial Impact:

The projected annual expenditure to provide as needed contracted Housekeeping Services is projected to be \$670,000 yearly, all of which is recoverable from clients of the Board.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Financial Goal to *effectively monitor costs and revenue*, and a strategy to support this goal *we will seek efficiencies with the public funds under our control and continue to evaluate our provision model to ensure that services offered are best provided either internally or externally.*

Issue Background:

On February 20, 2015, Exhibition Place through the services of PMMD issued a Request for Quotation to establish an agreement for the provision of Housekeeping Services on an as needed basis with an external third party provider.

Comments:

Exhibition Place as part of its Facility Services Division provides in-house housekeeping services for base building/ grounds maintenance on a daily basis and show/event /game day and post housekeeping services on an event basis. To meet increasing client service requirements (for an expanded BMO Field during the summer months and increasing labour demand associated with the Pan Am Games in 2015) and in order to support our existing in-house services, an RFQ was issued to establish an agreement for the provision of additional Housekeeping Services on an as needed basis. Again, the intent of these as-needed agreements are only to augment the Board's in-house capabilities and the provision of Exhibition Place unionized housekeeping staff and not to replace them.

The RFQ specified the Board's service requirements which included the ability to provide up to 140 skilled and trained housekeeping personnel with supervision, demonstrated experience in providing housekeeping services to Class A Office Spaces, public assembly facilities, large malls, sports arenas, trade and consumer shows or facilities similar in size of Direct Energy Centre and BMO Field. The RFQ clearly indicated that the third party contractor had to be in compliance with collective agreements between the Board and its Labour/Trade Unions. Housekeeping services at Exhibition Place are provided through its collective agreement with the Labourer's International Union of North America (LIUNA) Local 506. The RFQ was structured in a manner that required bidders to provide hourly rates and for comparison purposes, these rates quoted were applied to projected annual requirements resulting in Total Lump Sum Prices. Firm prices were quoted for the first year term with percentage increases used to calculate subsequent option years.

In order to protect the Board's service delivery commitments, the RFQ indicated that the Board reserves the right to award contracts to the two (2) overall lowest Bidders meeting the Board's specifications and requirements contained in the RFQ. The overall lowest Bidder will be the service provider of choice for the Board and the second lowest Bidder shall be called upon to provide additional service if the requirements of the Board exceed the capacities of the service provider of choice, all at the discretion of the Board.

The RFQ closed on March 16, 2015 with three (3) quotations received. The evaluated bid prices including option year pricing, excluding HST, were as follows:

Bidder	Year One	Option Year one	Option Year Two	Option Year Three
Kleenway Services Inc.	\$669,930.00	\$669,930.00	\$690,027.90	\$710,728.74
Impact Cleaning Services Ltd.	\$759,442.40	\$774,631.25	\$790,123.87	\$805,926.35
Eco Living Cleaners Inc.	\$873,790.00	\$895,634.75	\$918,025.62	\$940,976.26

Staff are recommending award in favour of the two lowest Bidders Kleenway Services Inc. and Impact Cleaning Services Ltd.

Based on references provided and years of experience both Kleenway Services Inc. and Impact Cleaning Services Ltd. are viewed as being capable of providing the services called for and that they both have the capacity to provide housekeeping personnel as required to meet the service requirements of our clients.

The City of Toronto Fair Wage and Labour Trades Office confirms that both Kleenway Services Inc. and Impact Cleaning Services Ltd. are in compliance with the Fair Wage and Labour Trades requirements for this work

The substantial terms of each agreement will be as follows:

- (a) Term: One year commencing May 1, 2015, with the option to extend for an additional three separate one-year periods subject to satisfactory performance review and budget availability.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Assignment: The agreements between the Board and Kleenway Services Inc. and the Board and Impact Cleaning Services Ltd., shall not be assigned without written consent of the Board.
- (d) Indemnity/Insurance: Kleenway Services Inc. and Impact Cleaning Services 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: Kleenway Services Inc. and Impact Cleaning Services Ltd. shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (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.

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