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## EXHIBITION PLACE

September 2, 2008

**ACTION REQUIRED**

To: The Board of Governors of Exhibition Place

From: Dianne Young  
Chief Executive Officer

Subject: **Agreement for Pest Control Services**

**Summary:**

This report recommends the Board enter into agreement with The Steritech Group (Steritech), commencing October 1, 2008 for the provision of pest control services to Exhibition Place. A Request for Quotation (RFQ) process was issued through the City of Toronto Purchasing Department for the provision of pest control services to Exhibition Place.

The RFQ closed on August 19, 2008 with four quotations received with the low bidder substantially below the price of the other 3 bidders. On further clarification, the low bidder indicated that they misunderstood the time requirements specified in the RFQ, that their bid did not take those requirements into consideration and that they could not comply with those minimums. Accordingly, Steritech was the low qualified bid.

Steritech is a leading provider of specialized brand protection services in North America, providing food safety, quality assurance and pest prevention services to industries in which health, safety and cleanliness are powerful drivers of preference and satisfaction. As the incumbent to the site they also provide services to some of our tenants, including BMO Field, Liberty Grand, Ricoh Coliseum and Medieval Times.

Founded in 1985, Steritech's list of current clients include Metro Toronto Convention Centre, Brookfield Properties and Cadillac Fairview Corporation just to name a few.

**Recommendations:**

**It is recommended that the Board approve an agreement between the Board and Steritech for a period of one (1) year, with the option to extend for two (2) additional one (1) year periods, on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the Chief Executive Officer of the Board and the City Solicitor.**

**Financial Impact:**

The projected annual expenditure for pest control services is \$40,500.00 and is provided for in the current year budget.

Decision History:

In August 2007, the Board entered into a service agreement with The Steritech Group for the provision of pest control services, commencing September 1, 2007 and expiring September 30, 2008.

Issue Background:

The term of the existing pest control contract is set to expire September 30, 2008. This is an essential service on the grounds.

Comments:

On July 29, 2008, Exhibition Place through the services of City of Toronto issued a Request for Quotation to establish a new agreement for the provision of pest control services commencing October 1, 2008.

The RFQ included a detailed scope of work and time specific requirements for weekly, bi-weekly and monthly pest control treatment services, as well as an enhanced event specific level of service prior to and during the Canadian National Exhibition. Bidders were required to submit pricing on a "per treatment, per location" basis; lump-sum pricing for service during the Canadian National Exhibition; and other pricing such as fogging services and other related pest control services and products. To receive consideration bidders must have had a minimum of five years experience in the provision of pest control services in food courts/large restaurants, large public assembly environments and warehouses, all similar to the various locations and operations on site.

The RFQ closed on August 19, 2008 with four quotations received. The results were as follows:

<b>Bidder</b>	<b>Year 1</b> (Oct. 1, 2008 to Sep. 30, 2009)	<b>Year 2</b> (Oct. 1, 2009 to Sep. 30, 2010)	<b>Year 3</b> (Oct. 1, 2010 to Sep. 30, 2011)
Orkin/PCO Services	\$31,630	\$33,070	\$33,070
The Steritech Group	\$40,350	\$44,238	\$44,238
E-Safe Pest Control	\$50,560	\$55,360	\$55,360
Abell Pest Control Inc.	\$51,860	\$57,620	\$57,620

In its analysis of the bids staff noted that the detailed treatment rates submitted by the lowest bidder Orkin/PCO Services were significantly lower than those of all the other bidders. Upon requesting clarification, Orkin/PCO Services indicated that they misunderstood the time requirements specified in the RFQ, that their bid did not take those requirements into consideration and that they could not comply with those minimums.

The Steritech quotation is the overall lowest acceptable bid received in compliance with all requirements. Staff report favourably on Steritech's past performance at Exhibition Place. The

City of Toronto Fair Wage and Labour Trades Office confirms that Steritech is in compliance with the Fair Wage requirements for this work.

Staff are recommending the approval of an agreement with Steritech on the following terms and conditions:

- (a) Term: One year commencing October 1, 2008 with the option to extend for two 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 Steritech without written consent of the Board.
- (d) Indemnity/Insurance: Steritech shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board, CNEA, and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (e) Union Obligations: Steritech 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.

For the information of the Board, CNE Operations staff have reviewed with staff the recommended supplier and concur with the recommendation.

Contact

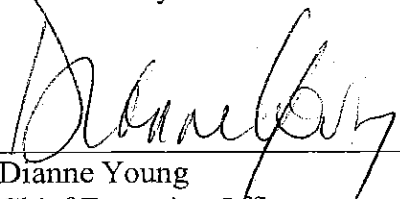
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Submitted by:

  
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Dianne Young  
Chief Executive Officer

