

Item 9



For Action

Subway Public Washroom Cleaning

Date: December 12, 2019
To: TTC Board
From: Deputy Chief Executive Officer – Operations

Summary

The purpose of this report is to obtain authorization to award a contract for subway public washroom cleaning services in the total upset limit amount of \$13,466,000.00, inclusive of all applicable taxes, to Aurum & Tri-Clean JV Inc. on the basis of the lowest-priced compliant bid.

Recommendations

It is recommended that the TTC Board:

1. Authorize the award of a contract to Aurum & Tri-Clean JV Inc. for subway public washroom cleaning services for a five-year period commencing upon notification of award, on the basis of lowest-priced compliant bid, in the total upset limit amount of \$13,466,000.00 inclusive of all taxes; and
2. Delegate authority to the CEO to add up to \$6,000,000.00 (including applicable taxes) to the contract with Aurum & Tri-Clean JV Inc. to cover the cost of subway public washroom cleaning during the two-year period following the initial five-year period, under the same contract terms and conditions as the contract allows staff to exercise a two-year extension option subject to mutually agreeable rates and satisfactory company performance.

Financial Summary

Sufficient funds are included in the TTC's 2020 Operating Budget submission which will be considered by the Board on December 16, 2019 and City Council on February 2020. Funds to cover future escalation will be included in future budgets and subject to annual budget approvals.

	2020	2021	2022	2023	2024	Total
Anticipated Annual Cost to TTC	\$2,278,000	\$2,350,000	\$2,423,000	\$2,499,000	\$2,577,000	\$12,127,000
Rebateable HST	\$252,000	\$259,000	\$268,000	\$276,000	\$284,000	\$1,339,000
Total	\$2,530,000	\$2,609,000	\$2,691,000	\$2,775,000	\$2,861,000	\$13,466,000

The Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Equity/Accessibility Matters

A cornerstone of the TTC's Corporate Plan 2018-2022 is accessibility. As a proud leader in providing accessible public transit in the city of Toronto, we are committed to ensuring reliable, safe and inclusive transit services for all of our customers. This will be supported with continuous maintenance of the TTC's public washroom facilities through the public washroom cleaning contract.

Decision History

At its meeting on September 27, 2012, the TTC Board received the notice of award of Chair Karen Stintz, Board member John Parker and the CEO regarding a contract issued to Topnotch Building Maintenance Ltd. (now known as TBM Service Group Inc.) for subway public washroom cleaning services in the amount of \$8,826,418.87. This contract covered the period December 2, 2012 to December 1, 2017 and included an extension option of two additional years.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2012/September 27/Reports/Notice of Award - Pr6.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2012/September%2027/Reports/Notice%20of%20Award%20-%20Pr6.pdf)

On October 11, 2012 staff amended the start date of the five-year contract to November 3, 2012, with all other terms remaining the same.

At its meeting on October 6, 2017, the TTC Board approved the issuance of a contract amendment to: 1) Exercise the two-year extension option under the existing contract terms; 2) Add Vaughan Metropolitan Centre station to the washroom cleaning schedule; and 3) Increase the contract amount by \$5,049,000.00 to cover expenditures during the extension period November 3, 2017 to November 3, 2019.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2017/October 16/Reports/17 Subway Public Washroom Cleaning Contract-Procurement Auth.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2017/October%2016/Reports/17%20Subway%20Public%20Washroom%20Cleaning%20Contract-Procurement%20Auth.pdf)

Under staff authority, the TTC extended the contract from November 3, 2019 to January 15, 2020.

Issue Background

In its Five-Year Corporate Plan 2018-2022, the TTC commits to keeping its facilities and spaces clean and litter-free. The services provided under this contract will ensure the TTC maintains the cleanliness of subway public washrooms to the standards that TTC customers expect and deserve.

The TTC's current contract for subway public washroom cleaning services with TBM Service Group Inc. expires on January 15, 2020.

Comments

The work performed under this contract consists of planned and unplanned cleaning of public washrooms in TTC subway stations during and after normal subway service hours. During revenue service, all 22 washrooms located in 11 subway stations will be cleaned every 90 minutes. Each washroom is also cleaned nightly, with a deeper clean once per month.

A publicly advertised Request for Bids (RFB) was posted on the MERX website on October 21, 2019. Sixteen companies downloaded copies of the bid documents out of which three submitted a Bid by the November 18, 2019 closing date, which are summarized on the attached "Appendix A – Summary of Bids".

SQM Janitorial Services Inc. submitted the lowest-priced bid and did not state any exceptions or qualifications to the RFB terms and conditions. However, SQM did not submit the mandatory Agreement to Provide Contract Security as required in the RFB. Consequently, SQM's bid was considered commercially not acceptable and was not evaluated further.

Aurum & Tri-Clean JV Inc. submitted the second lowest-priced bid. Aurum & Tri-Clean submitted all of the mandatory requirements as set out in the RFB and did not state any exceptions or qualifications to the RFB terms and conditions. Reference checks confirmed Aurum & Tri-Clean has satisfactorily completed work of a similar size and nature for the TTC as well as other parties. Aurum & Tri-Clean's bid is considered commercially acceptable and they are recommended for award.

TBM Service Group Inc. submitted the highest-priced bid. TBM did not state any exceptions or qualifications and their bid is considered commercially acceptable.

Contact

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Signature

Kirsten Watson
Deputy Chief Executive Officer – Operations

Attachments

Appendix A – Summary of Bids

APPENDIX A

Subway Public Washroom Cleaning

Summary of Bids

Bidders	SQM Janitorial Services Inc.	*Aurum & Tri-Clean JV Inc.	TBM Service Group Inc.
Total Five-Year Bid Price	\$12,266,998.96	\$12,824,395.24	\$15,152,700.89
Recommended Award Amount (includes an approximate 5% contingency)	N/A	\$13,466,000.00	N/A

*** Recommended company**

The estimated value of the two-year extension option with Aurum & Tri-Clean JV Inv., including an approximate 5% contingency and taxes, is \$6 million.