



Vendor Award: Backfill Day-to-Day Janitorial Services

Item 11D

February 15, 2024

Board of Directors

Report: TCHC:2024-10

To: Board of Directors (the “Board”)

From: Building Investment, Finance and Audit Committee
 (“BIFAC”)

Date: February 9, 2023

PURPOSE:

The purpose of this report is to seek the Board of Directors’ (the “Board”) approval for up to \$12,779,815.00 (exclusive of taxes) for the establishment of a roster of pre-qualified vendors for Backfill Day-to-Day Janitorial Services for a term of up to five years.

Board of Directors (the “Board”) approval is required as it exceeds the \$10M financial approval limit of the BIFAC.

RECOMMENDATIONS:

It is recommended that the Board:

1. Approve the award of work up to \$12,779,815.00 (excluding HST) for backfill day-to-day janitorial services at the rates established from the outcome of Request for Proposal (“RFP”) 23091 for a term of up to five years as follows:
 - I. up to \$7.5M for the first three (3) years of the initial contract; and
 - II. up to \$5.3M for two (2) additional one-year terms at TCHC management’s discretion;

2. Approve the award of the work to the following eight (8) vendors based on the outcome of RFP 23091 as follows:
 - I. Green Maples Environment Inc
 - II. Universal Cleaning and Painting Ltd.
 - III. Alpha Resources Ltd.
 - IV. Evergreen Maintenance & Janitorial Services Ltd.
 - V. Bi-Views Building Service Ltd.
 - VI. SQM Janitorial Services Inc.
 - VII. The Grandmother's Touch Inc.
 - VIII. Michael Manalo o/a Entrust the Care; and

3. Authorize the appropriate staff to take all other necessary actions to give effect to the above recommendations.

BIFAC:

This report will be considered by the BIFAC at its February 9, 2024 meeting.

PROJECT BACKGROUND:

Backfill day-to-day janitorial services are essential to meet operational demands whenever Toronto Community Housing Corporation ("TCHC") and Toronto Senior Housing Corporation's ("TSHC") Local 416 staff are absent, on vacation, or on leave. These services are specifically required during regular business hours (8:00 a.m. to 4:30 p.m.), on weekdays, Monday to Friday. They become necessary when TCHC and TSHC's Local 416 staff remain unavailable for a period exceeding 10 business days or more.

The scope of backfill day-to-day janitorial services includes a range of tasks such as litter removal, cleaning, sweeping, mopping, vacuuming and various other duties. These services extend to multiple areas within buildings, including, but not limited to, lobbies, elevators, laundry rooms, common area washrooms, recreation centres, hallways, corridors, stairs, garbage chute rooms, mechanical rooms, garbage compactor rooms, and building exteriors.

This award covers all buildings within the TCHC and TSHC portfolio. These Operating Units ("OU") are grouped into portfolios and further categorized into eight groups to streamline management and service provision.

Table 1: Operating Units and Groups

Group	Operating Unit ("OU")	Group	Operating Unit ("OU")
1	C	5	G, I
2	D, TSHC (P, N, O, Q)	6	H, L (East)
3	E	7	K, L (Central), M
4	F	8	J

REASONS FOR RECOMMENDATIONS:

Ensuring uninterrupted operational continuity is paramount, particularly when regular staff members are absent, on vacation, or on leave. The coverage provided by backfill vendors represents a significant volume – accumulating to 87,586 hours in 2022 and 88,868 hours in 2023. To accommodate the initial year of the contract (2024), a 9.2% increase is based on a renegotiated contract and current labour costs have been factored in over the 2023 hourly rate (\$20.93) to align with the new hourly rate (\$22.85). Additionally, a 2.4% increase for Year 2 (2025), based on projected hourly rates (\$23.40), has been incorporated. These projections also include slight increases to accommodate for potential backfill hours in subsequent years to allow for any labour disruption or increased time off work.

Table 2: Average Hourly Rate and Final Prices

Building Type	Hourly Rate Previous Contract 2023	Hourly Rate Year 1 2024	Hourly Rate Year 2 2025	Hourly Rate Year 3 2026	Hourly Rate Year 4 2027	Hourly Rate Year 5 2028
High Rise (more than 5 floors)	\$20.93	\$ 22.85	\$ 23.40	\$ 23.97	\$ 24.73	\$ 25.08
Low Rise (Less than 5 floors)	\$20.93	\$ 22.84	\$ 23.39	\$ 23.96	\$ 24.72	\$ 25.07
Townhouse	\$20.93	\$ 22.79	\$ 23.34	\$ 23.91	\$ 24.67	\$ 25.02

Table 3: Total Hours Staff Absence – Historical (includes the corresponding expenditure throughout the existing contract's duration)

Year	Total Hours	Vacation	Bereavement	Ill (Sick)	Lieu	% of Total Hours
2022	87,586	33%	3%	23%	15%	75%
2023	88,868	31%	2%	22%	18%	73%

Table 4: Summary of Annual Historical Backfill Day-to-Day Janitorial Costs (Annual and Total Breakdown)

August 2018 – August 2023 (Term of the Program)		
	Spend Amount	Balance
Allocated budget – Original Budget 2018-2023		\$12.25M
Actual spend, projected spend until end of contract in 2023 – under spent by \$1.32M	\$10.93M	
Amount of Direct Award for August 2023-March 2024 (VAC 23045)		\$490K
Spend to December 31, 2023	\$227,000	
Total available funds until end of contract – March 2024		\$263,000

Analyzing historical data from HoMES and EasyTrac work orders provided insights into annual spending and available funds (Table 4). Within the 2023 budget, a \$590,000 underspend allowed for a direct award of \$490,000 from August to March 2024. To accommodate the administrative RFP approval process we extended the current backfill cleaning contract until March 31, 2024, and utilizing the remaining \$263,000 budget. The extension allows time for onboarding of new vendors and TCHC staff training of new request processes, all while ensuring a seamless transition to the new contract starting April 1, 2024.

The spend for this contract was determined through comprehensive financial analysis and reviewing HR-recorded data on vacation/absences of Local 416 cleaning/custodian staff for the year 2022/2023. In anticipation of a 4.33%

increase in total requested spending compared to the previous total contract amount, stringent control measures and cost-saving initiatives will be implemented to manage and reduce actual expenditures. The funding allocated for the first year of this award aligns with the 2024 submitted backfill cleaning budget by TCHC regions and TSHC.

PROCUREMENT PROCESS:

RFP 23091 was issued on October 4, 2023, and closed on November 7, 2023, with nineteen submissions received. These submissions were evaluated through a three-stage process to determine qualified vendors based on mandatory requirements, rated criteria and pricing. Nine submissions met the requirements of the first two stages. In the third stage, the qualified proponents submitted hourly rates for years one to five for the services were evaluated. Relative pricing formulas were applied to determine scores and final price lists.

The top-ranking proponents were offered their regional preferences, followed by the subsequent highest ranked proponent. The selection sequence continued until all eight groups were assigned. Proponents accepting a group must also agree to the final price list. The scores from Stage 2 and 3 were used to determine each proponent's final ranking. TCHC's goal is to extend an offer to the top eight scoring proponents to choose a primary vendor role for one group, serve as a backup vendor for a second group, and act as a second backup vendor for a third group.

The program will be in effect for a three-year term (with two optional one-year extensions), with a start date of April 1, 2024. Work will not commence until this award has been approved and a contract has been executed.

Confidential Attachment 1 provides details on pricing and rated criteria.

IMPLICATIONS AND RISKS:

A public RFP was issued and the recommendations in this report are based on awarding the work as per the RFP requirements, thus the risk of a proponent challenging the awarding of the contract is minimized.

TCHC is further obligated under the City's RentSafe bylaw to uphold cleanliness standards. We are mandated to have a comprehensive Cleaning Plan that delineates all common areas and the frequency of their cleaning. Moreover, daily inspections for cleanliness in these common

areas are a requisite. Failure to maintain adequate backup coverage will result in non-compliance with both the City regulations and the *Residential Tenancies Act*.

Performance will be evaluated in accordance with TCHC's Vendor Compliance Evaluation System. Results gathered through reviews can be used to support decisions to remove underperforming vendors from TCHC's rosters and/or future bidding opportunities. The Contract Compliance team will be conducting quarterly meetings with vendors.

This work does not require entry into tenant units. There is no anticipated disruption to tenants, though gaps in cleaning services has a profound impact on tenant satisfaction, so minimizing service disruption is critical.

Funding for this award is supported by the 2024 OU Operating Budget and the 2025-2028 Operating program budget for DEV.5221. Funding will be tracked through regional spends; regional budgets will manage all backfill requests and monitor monthly and quarterly spends in collaboration with Finance and Contract Compliance

Funding for this award is within the program budget of the 2024 Operating Budget. Funding for future year's budgets will be requested within the 2025-2028 Operating Budgets.

SIGNATURE:

"Nadia Gouveia"

Nadia Gouveia"
Acting Chief Operating Officer

ATTACHMENT:

Confidential Summary of Submissions

Attachment 1:

Reason for Confidential Attachment: Third party commercial information supplied in confidence and commercial information belonging to TCHC that has monetary value or potential monetary value and whose disclosure could reasonably be expected to be injurious to its financial interests.

STAFF CONTACT:

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