

To: Warden and Members of County Council

From: Director of Public Works

Contract Award – Janitorial Services

RECOMMENDATIONS

1. That County Council award a contract to the low bidder, **SBM Property Services Inc.**, in the amount of **\$1,723,582 (excluding HST)** for janitorial services in various Oxford County buildings for a three-year term;
2. And further, that Council authorize the Chief Administrative Officer and Director of Public Works to sign all documents related hereto.

REPORT HIGHLIGHTS

- This report seeks County Council approval to enter into a three-year janitorial services contract with SBM Property Services Inc. from May 2022 to April 2025.
- The County prequalified seven companies to bid on the Janitorial Services contract and received four tender submissions, from which the compliant low-bid company was selected for award in accordance with the County's Purchasing Policy.
- Janitorial Services provided by this contract cover approximately 270,000 sq. ft. of space in 50 facilities owned or leased by the County.

Implementation Points

Upon Council approval, a contract will be executed with the low bidder, SBM Property Services Inc. for a term between May, 2022 and April, 2025.

Staff will facilitate a seamless transition between the current Janitorial Service provider and SBM Property Services Inc. to ensure no disruption in service occurs.

Financial Impact

The facility locations covered in this janitorial service tender are funded from various sources and are outlined in Table 1 below. The costs reflected in this low-bid submission result in an overall positive variance from the approved 2022 budget; however, locations funded through the general levy and water reserves are anticipated to be in a deficit position.

It is anticipated that operational savings are likely within the general levy and water systems to offset the deficit. Forecasted savings will be identified through the 2023 Business Plan and Budget process. The expenditures for 2023, 2024 and 2025 (January to April) related to this contract will be included in the respective budgets. In addition, the EarlyON Child and Family Centre located in Woodstock is a new facility that is budgeted in the contract scope effective spring 2022, with the majority of janitorial costs being covered by provincial funding as outlined below.

Table 1: Janitorial Services Contract Funding Sources







Funding Source	2022 Approved Budget	Floor Mat Contract Expenditures	Jan to April Estimated Expenditures	May to Dec Estimated Expenditures*	Budget Variance
Facilities Reserve	\$255,560	\$8,490	\$69,020	\$127,120	\$50,930
Water Reserves	13,120	1,030	3,430	11,860	(3,200)
Wastewater Reserves	15,930	-	4,490	8,160	3,280
General Levy	187,400	18,410	45,080	181,020	(57,110)
Library Levy	79,230	1,710	16,560	49,820	11,140
Provincial Funding	7,610	-	-	6,620	990
TOTAL	\$558,850	\$29,640	\$138,580	\$384,600	\$6,030

* Based on the SBM pricing for this contract award

Communications

As an operational matter, communication will take place between the vendor and Facilities staff to ensure smooth implementation of the contract. Any changes to internal processes that may affect staff will be considered as part of internal communication.

Strategic Plan (2020-2022)

					
WORKS WELL TOGETHER	WELL CONNECTED	SHAPES THE FUTURE	INFORMS & ENGAGES	PERFORMS & DELIVERS	POSITIVE IMPACT
1.i.i.				5.ii.	

DISCUSSION

Background

Janitorial services are provided to ensure a level of building hygiene that promotes an environment of cleanliness and safety for the public, visitors and staff. The current contract expires on April 30, 2022, so it is important that the County proceed with awarding a new contract.

Through the Janitorial Service contract, services are provided to 50 County-owned or leased facilities and cover approximately 270,000 sq. ft. These buildings include administrative, judicial, multi-unit social housing, patrol yards, paramedic services and libraries.

Comments

Pre-qualification for janitorial services was completed ahead of the tendering stage of this procurement. Ten contractors expressed interest and seven were pre-qualified. The evaluation of submissions was based on a number of factors including the number of square feet currently under contract, number of buildings currently serviced, supervisor to staff ratio and number of years in business.

Janitorial service contracts have historically been for a term of three years. This approach has allowed the County to take full advantage of the economies of scale created by providing multi-year terms and a consolidation of all County facilities that require this service. This new contract will be effective from May 1, 2022 to April 30, 2025.

The tender closed on February 28, 2022 with the following bids received:

Table 2: Summary of Bid Submissions

Contractor	Tender Amount (Excl. HST)
1. SBM Property Services Inc.	\$1,723,582
2. SQM Janitorial Services Inc.	\$1,877,258
3. Kleenway Building Maintenance Services Inc.	\$1,948,853
4. Green Maples Environmental Inc.	\$1,964,066

Staff have reviewed the submissions and confirmed that the low bid received from SBM Property Services Inc., in the amount of \$1,723,582 (excluding HST), represents good value for the work. Although this bid was 26% higher than the previous low bid in 2019, costs have escalated over the past three years (as compounded by a series of global events affecting labour and material costs) and an additional facility (EarlyON Child and Family Centre) has been included in the service contract. Provisions within this contract also afford the flexibility to adjust service levels (i.e. cleaning activities, frequency, hours) as appropriate.

During the previous Janitorial contract, services had to be modified in response to the COVID-19 pandemic. As a result of the public health improvements seen recently, most County facilities that instituted enhanced cleaning service on a regular basis have returned to normal cleaning levels. The Oxford County Administration Building is currently the only site that has additional cleaning service resulting from COVID-19 and this fee is charged to a COVID recovery account, and is not related to the annual budget. Assuming this additional service is still required at the start of the new contract, associated fees will continue to be charged to the recovery account until they are no longer deemed necessary.

Should the contract not be awarded and janitorial services cease at County facilities, the condition and sanitary condition of the County's owned and leased spaces would deteriorate.

Conclusions

Review of the competitive bid submissions confirms that it is appropriate to award the proposed Janitorial Services contract to the low bidder, SBM Property Services Inc.

SIGNATURES

Report Author:

Original signed by

Mark Stegmann
Supervisor of Facilities

Departmental Approval:

Original signed by

David Simpson, P.Eng., PMP
Director of Public Works

Approved for submission:

Original signed by

Michael Duben, B.A., LL.B.
Chief Administrative Officer