Agenda – Executive Policy Committee – July 6, 2016

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 5, 2016

Moved by Councillor

That Rule 10(3) of The Procedure By-law No. 50/2007 be suspended in order that the following item, which was received less than 96 hours preceding the committee meeting, be considered by Committee.

Item No. 17 Contract Extension – Building Cleaning Services for 251 Donald Street (Millennium Library Building and Skywalk Bridges)

STANDING COMMITTEE RECOMMENDATION:

On July 5, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the contract with Polar Building Cleaning (2001) Ltd. for Provision of Building Cleaning Services at 251 Donald Street (Millennium Library and Skywalk Bridges), Bid Opportunity 142-2014 be extended for a one (1) year term for the period of August 1, 2016 to July 31, 2017 in the conditional amount of $185,850.00 plus GST and MRST as applicable.

2. That Council delegate authority to award future contract extensions to the Chief Financial Officer.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda – Executive Policy Committee – July 6, 2016

Report – Standing Policy Committee on Property and Development, Heritage and Downtown Development – July 5, 2016

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On July 5, 2016, the Standing Policy Committee on Property and Development, Heritage and Downtown Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Approval of Contract Extension No. 1 for the Provision of Building Cleaning Services for 251 Donald Street (Millennium Library Building and Skywalk Bridges) Bid Opportunity No. 142-2014

Critical Path: Standing Policy Committee on Property and Development, Heritage and Downtown Development – Executive Policy Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
B. Erickson	J. Kiernan	M. Ruta	M. Jack COO

RECOMMENDATIONS

1. That the contract with Polar Building Cleaning (2001) Ltd. for Provision of Building Cleaning Services at 251 Donald Street (Millennium Library and Skywalk Bridges), Bid Opportunity 142-2014 be extended for a one (1) year term for the period of August 1, 2016 to July 31, 2017 in the conditional amount of $185,850.00 plus GST and MRST as applicable.

2. That Council delegate authority to award future contract extensions to the Chief Financial Officer.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

As the total conditional amount paid by the City pursuant to the contract is for a purchase that obligates the City to expenditures in future budgets, Council must approve the Award of Contract pursuant to B8.2.3 of the Materials Management Policy.

Bid Opportunity 142-2014 erroneously omitted the contract language that provides the City may alter the requirements of work under the Contract. As such, Council approval is required to commit the required funds for this Contract associated with the future years' budgets.

EXECUTIVE SUMMARY

Extend the building cleaning services with Polar Building Cleaning (2001) Ltd. for 251 Donald Street (Millennium Library and Skywalk Bridges) as identified in the History section of this report in accordance with Bid Opportunity 142-2014 for the first of three (3) mutually agreed upon one (1) year extensions as per the terms of the contract at an agreed total of $185,850.00 plus GST and MRST as applicable.

IMPLICATIONS OF THE RECOMMENDATIONS

Financial:

The total cost to the City for the full twelve (12) month term of the contract extension is $185,850.00 plus GST and MRST where applicable.

Yearly estimated costs before GST and MRST are as follows:

2016	$ 77,325.00
2017	$108,525.00
TOTAL	**$185,850.00**

Funds for the 2016 portion of the Contract are budgeted for in the account and cost centre 554-521030-634203.

Legal (Contracts):

The original contract was for a term of twenty-four (24) months, for the term of August 1, 2014 to July 31, 2016. The City may elect to extend the Contract for three (3) mutually agreed upon one (1) year extensions. Three (3) months prior to the expiry date of the initial term of the Contract, the City will provide written notice of its intention to extend, fees for the additional year shall be negotiated at this time. This is the first of three (3) available extensions under the original Bid Opportunity.

HISTORY/DISCUSSION

The City requires building cleaning services at 251 Donald Street (Millennium Library and Skywalk Bridges) as noted in this report.

Being that the services provided by Polar Building Cleaning (2001) Ltd. have been acceptable, the City and Polar Building Cleaning (2001) Ltd. are in agreement to extend the Contract for one (1) more year for the term of August 1, 2016 to July 31, 2017 at a cost per month of $15,487.50 plus GST and MRST as applicable. The price proposed by Polar Building Cleaning (2001) Ltd. is acceptable to the City.

On April 4, 2016, a letter was sent to the contractor by Contract Administrator requesting to exercise the option of the first mutually agreed upon one (1) year extension of Bid Opportunity 142-2014 (Contract Number 2848), in accordance with Clause D2.1.1 of the Bid Opportunity. The extension would be under the same terms and conditions of Bid Opportunity 142-2014 and would be the first one (1) year extension for the period of August 1, 2016 to July 31, 2017.

On April 5, 2016, the contractor, Polar Building Cleaning (2001) Ltd., replied and agreed to the contract extension of Bid Opportunity 142-2014 (Contract Number 2848) for the period of August 1, 2016 to July 31, 2017. There was no increase in pricing.

The Contract Administrator is satisfied that the Contractor has the necessary experience and resources to perform the work of the Contract satisfactorily and has satisfactorily performed the work since the beginning of the Contract in accordance with the requirements of the Contract.

This is the first of three (3) one (1) year extensions provided for in the Bid Opportunity.

This contract extension will be awarded by Purchase Order.

FINANCIAL IMPACT

Financial Impact Statement

Date: May 11, 2016

Project Name:

First Year of Program **2016**

Approval of Contract Extension for the Provision of Building Cleaning Services for 251 Donald Street (Millennium Library Building and Skywalk Bridges) – Bid Opportunity No.

	2016	2017	2018	2019	2020
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 77,325	$ 108,525	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 77,325	$ 108,525	$ -	$ -	$ -
Less: Existing Budget Amounts	77,325	108,525	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Direct costs consist of the estimated cost of cleaning services of $185,850 for the 12 month period from August 1, 2016 to July 31, 2017 . Note that as of the publishing of Information Bulletin No. 30 as revised June, 2015, janitorial services are not subject to Manitoba Retail Sales Tax.

"Original signed by"
Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

Materials Management Division, Corporate Finance

Legal Services Department as to legal issues

OURWINNIPEG POLICY ALIGNMENT

N/A

SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations
Prepared by: Larry Giesbrecht, Superintendent of Building Services
Date: May 13, 2016
File Name: MA2016-079

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Winnipeg

Planning, Property and Development Department • Service de l'urbanisme, des biens et de l'aménagement

Municipal Accommodations Division • Division des aménagements municipaux

April 4, 2016

Polar Building Cleaning (2001) Ltd.
360 Johnson Ave.
Winnipeg, MB. R2L 0J1

Attention: Ms. Bob Gomulinski

RE: Provision of Building Cleaning Services for 251 Donald Street (Millennium Library and Skywalk Bridges) – Bid Opportunity 142-2014, Contract 2848

The City of Winnipeg is seeking to exercise the first mutually agreed upon one (1) year extension of Contract 2848, in accordance with clause D2.1.1 of Bid Opportunity 142-2014.

If agreed by Polar Building Cleaning (2001) Ltd. and the Award Authority, this extension would be under the same terms and conditions of Contract 2848 and would be the first one (1) year extension for the period of August 1, 2016 until July 31, 2017.

Please indicate below whether or not you are willing to extend the contract for one (1) year, sign the acknowledgement below and scan/email the signed letter back to the Contract Administrator at Lgiesbrecht@winnipeg.ca or fax the signed letter back to the Contract Administrator at 204-986-7311.

Upon receipt of your agreement to extend the Contract, a report will be sent to the Award Authority for consideration. I will advise you of the decision.

Yours truly,

Larry Giesbrecht
Superintendent of Building Services

That Polar Building Cleaning (20010) Ltd. hereby agrees to extend Contract 2848 for the period of August 1, 2016 until July 31, 2017.

CINDY CORBETT — DIRECTOR

Contact Person — Title

APRIL 5/16

Signature — Date