

Municipality of Lakeshore – Report to Council

Operations

Public Works



To: Mayor & Members of Council

From: Jeff Wilson, Division Leader – Public Works

Date: December 18, 2023

Subject: 2024 Janitorial Services - Contract Award

Recommendation

Award the three (3) year Janitorial Services Contract to Krautner Janitorial Inc. in the total amount of \$449,964.28 (including applicable HST); and

Approve an annual increase to the facilities operating budget for Janitorial Services in the amount of \$64,438.09 (including applicable HST) for the required three (3) years, as presented at the January 9, 2024 Council Meeting.

Background

Krautner Janitorial has been the Janitorial Service provider for Lakeshore facilities since 2008. They are a local company who, during Covid, provided the Municipality with countless added services, including anti-microbial treatment to protect our staff and residents against the spread of the disease.

The existing Janitorial Services Contract with Krautner Janitorial expired on December 31, 2023.

The Request for Proposals included a 3-year contract, commencing on January 1, 2024 to December 31, 2026. The contract also included a provision to extend the contract for two (2) years, provided the level of service and costs are acceptable to the Municipality.

The Janitorial Service Contract included services for the following eleven (11) sites:

1. Town Hall located at 419 Notre Dame St., Belle River
2. OPP Detachment located at 775 Notre Dame St., Belle River
3. OPP Washroom Facility located at 6400 Main Street, Comber
4. John George Water Treatment Plant located at 492 Lakeview Drive, Belle River
5. Comber Community Centre located at 7100 Community Centre Street, Comber
6. Libro Community Centre located at 1925 South Middle Road, Woodslee
7. Fire Station #3 (Head Quarters) located at 592 St. Charles Street, Belle River

8. Public Works West Yard located at 1089 Puce Road, Puce
9. Public Works East Yard located at 2095 County Road 31, Ruscom
10. Stoney Point Water Treatment Plant located at 7011 St. Clair Road, Stoney Point
11. Operations Centre located at 304 Rourke Line, Belle River

Comments

A Request for Proposal for the 2024 Janitorial Services Contract (to 2026) was publicly advertised on Bids & Tenders on Thursday November 16, 2023, and closed on Friday December 8, 2023.

The following proposals were received prior to closing:

#	Proponent	Proposal (excluding applicable HST), inclusive of all 3 years	Proposal (including applicable HST), inclusive of all 3 years
1	Krautner Janitorial Inc.	\$442,181.88	\$449,964.28
2	1757291 Ontario Inc/ Universal Cleaners Inc.	\$514,657.80	\$523,715.78
3	Topline Facility Management	\$735,431.04	\$748,374.63
4	Clean Crysta Services Inc. (CCS)	\$742,165.92	\$755,228.04
5	Green Maples Environmental Inc	\$767,959.20	\$781,475.28

Financial Impacts

There was an expected (estimated) operating increase of 30% that was considered in the 2024 Draft Budget to accommodate, however upon the recent closure of the RFP and the above noted results received, the successful proponent and associated proposal costs represent a 58.5% increase from the existing contract (which was \$283,943.00 (including applicable HST) for 2019, 2020 and 2021).

It should be noted that the existing Janitorial Contract did not see an increase in the initial 3 years (upon award in 2019) and further saw minimal CPI increases for the 2-year extensions (in 2022 and 2023). The above-mentioned increase can be attributed to the cost of living increases over time, as well as several increases in minimum wage over the last 5 years.

The total contract value is \$449,964.28 (including applicable HST), which equates to an annual operational cost of \$149,988.09 (including applicable HST).

The table below outlines the annual operating costs and the required operating budget amount as required for the next three (3) years, until December 31, 2026:

Proponent	Total Annual Costs (excluding applicable HST)	Total Annual Costs (including applicable HST)	Operating Budget (per year)
Krautner Janitorial Inc.	\$147,393.96	\$149,988.09	
Existing Annual Operating Budget			\$85,550.00
Over/(Under) (including applicable HST)			(\$64,438.09)
Total Annual Operating Costs			\$149,988.09

Annual CPI increases are not applicable to the three (3) year contract. An extension of the contract for the additional 2 years is applicable to CPI increases, upon approval by Council.

Administration is satisfied with the services provided by Krautner Janitorial Inc. and recommends awarding the Janitorial Service Contract to Krautner Janitorial Inc. and that Council approve an increase to the annual facilities operating budget for janitorial services in the amount of \$64,438.09 (including applicable HST) for 2024, 2025 and 2026 to be able to award the contract at this time.

Report Approval Details

Document Title:	Tender Award - 2024 Janitorial Services Contract .docx
Attachments:	
Final Approval Date:	Jan 4, 2024

This report and all of its attachments were approved and signed as outlined below:

Prepared by Jeff Wilson

Submitted by Krystal Kalbol

Approved by Justin Rousseau