

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: September 27, 2012

SUBJECT: NOTICE OF AWARD - PROCUREMENT AUTHORIZATION –
SUBWAY PUBLIC WASHROOM CLEANING

INFORMATION ITEM

RECOMMENDATION

It is recommended that the Commission receive the notice of award of Chair Karen Stintz, Commissioner John Parker and the Chief Executive Officer to authorize the issuance of a purchase order to Topnotch Building Maintenance Ltd. with a total upset limit amount of \$8,826,418.87 for the supply of Subway Public Washroom Cleaning in 20 public washrooms located in 10 subway stations for five years, commencing December 2, 2012 (or earlier) to December 1, 2017.

FUNDING

No funds were included in the 2012 TTC Operating budget for this expenditure. However, based on current projections, it is anticipated that 2012 expenses associated with this contract (approximately \$300,000) can be accommodated through reduced expenditures within the approved budget envelope. Funds will be included in future Operating Budgets as required.

BACKGROUND

At its meeting of July 14, 2010, the Commission approved the revisions and updates to the Authorization for Expenditures and Other Commitments Policy, effective August 1, 2010, which states that "The Commission delegates authority to the Chair, Vice-Chair and the Chief Executive Officer to authorize items that would normally be authorized by the Commission when the approval is required before the next Commission meeting. If the Chair and/or Vice-Chair are not available, authority would be deemed to be delegated to any two (2) Commissioners and the Chief Executive Office." These authorizations are to be followed up by a notice of award Commission report that is to be submitted to the next scheduled Commission meeting for information.

As part of the 2012 TTC Operating Budget process, the City requested that TTC staff look for efficiencies within its operation to realize savings. Further, the City of Toronto Core Service Review conducted by KPMG in 2011, recommended that the TTC consider the use of more external suppliers for aspects of facility and vehicle maintenance.

The Commission currently operates 20 public washroom facilities located in 10 subway stations. In response to customer feedback the public washrooms were completely renovated in the first half of 2012 to upgrade their finishes, make them easier to clean and bring them to a state of good repair.

Each day, TTC customers utilize these facilities throughout the operating hours of the subway. Originally these washrooms were part of the overall subway station cleaning schedules of Building Servicepersons and Janitors. The public washrooms were cleaned five (5) times per day and were not meeting the expectations of the TTC's customers with respect to cleanliness. Also, within these previous work schedules, the washrooms were closed during cleaning as the workforce was not gender specific and resulted in customer inconvenience.

A pilot was conducted using a gender specific workforce by the TTC's Plant Maintenance Department to determine the optimal cleaning time interval that would meet the expectations of the TTC's customers. The results of the pilot concluded that an interval of 90 minutes for weekdays, and 300 minutes for weekends met the cleanliness and customer expectations. The in-house results were audited through a 3rd party auditor and they have confirmed the intervals established are correct.

A staffing model was developed to meet the increased cleaning interval discussed above on a permanent basis. A workforce increase of 37 unionized and 2 staff positions would be required if the work is maintained in-house using Local 113 employees.

DISCUSSION

In March 2011, the TTC issued a formal tender to the public for bids on conducting the public washroom cleaning work. The TTC received two bids, of which one was compliant as determined through our Commercial Analysis.

The term of the contract is five (5) years. The TTC also obtained the option of extending the contract for one 2-year term at its sole discretion. A net savings of contracting an external service provider to do the work is projected to be \$1.49 million per year on average compared to the cost of performing the work in-house using 37 unionized and 2 staff employees.

There are certain provisions within the Local 113 Collective Agreement that staff must follow when work normally performed by the Amalgamated Transit Union employees is being considered for contracting out. Staff has followed the process, which includes affording the Union the opportunity to submit written reasonable suggested alternatives to contracting out the work that would save the TTC an equivalent amount of money. The proposals the Union submitted in writing to the TTC did not provide any reasonable suggested alternatives that would achieve the annual savings of \$1.49 million and quality possible through contracting out the work.

JUSTIFICATION

Award of the above contract will allow the Commission to improve public washroom cleanliness and achieve average annual savings of \$1.49 million compared to performing the work in-house.

August 21, 2012