



To: Public Works and Transportation Committee **Date:** February 14, 2024
From: Martin Younis, B. Eng., M. Eng. **File:** 10-6000-01/2024-Vol 01
Director, Facilities and Project Development
Re: **Award of Contract 8274Q – On-Call Plumbing Contractor Services**

Staff Recommendations

1. That Contract 8274Q – On-Call Plumbing Contractor Services be awarded to Baza Ventures Inc. (dba PJB Mechanical), Pacific Mechanical Systems Ltd. (dba Kern BSG Management Ltd.) and Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical) for a three-year term for an aggregate value of \$2,020,000.00, excluding taxes, as described in the report titled "Award of Contract 8274Q – On-Call Plumbing Contractor Services," dated February 14, 2024 from the Director, Facilities and Project Development;
2. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to extend the initial three-year term, up to a maximum of five years, for an additional value of \$1,385,000.00 excluding taxes; and
3. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to execute the contracts and all related documentation with Baza Ventures Inc. (dba PJB Mechanical), Pacific Mechanical Systems Ltd. (dba Kern BSG Management Ltd.) and Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical) over the five-year term.

Martin Younis, B. Eng., M. Eng.
Director, Facilities and Project Development
(604-204-8501)

REPORT CONCURRENCE		
ROUTED TO: Finance Department	CONCURRENCE <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER 
SENIOR STAFF REPORT REVIEW	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

There are 168 City-owned buildings of which there are a variety of essential plumbing systems that require inspection, repair and preventative maintenance. City staff perform diagnostics and minor repairs to plumbing equipment and systems arising from service requests. The City requires external plumbing contractors to provide on-call repair, preventative maintenance and retrofitting services. Emergency response and maintenance are essential to the safe and efficient operation of the City's facilities and contribute to ensuring the City's civic infrastructure, assets and resources are effectively maintained to meet the needs of the community.

The City's current On-Call Plumbing Contractor contract 6511Q is due to expire on March 1, 2024. The City requires a roster of qualified and capable contractors to be available for emergency response and day-to-day service requirements. This report supports Council's Strategic Plan 2022-2026 Focus Area #2 Strategic and Sustainable Community Growth:

Strategic and sustainable growth that supports long-term community needs and a well-planned and prosperous city.

2.3 Ensure that both built and natural infrastructure supports sustainable development throughout the city.

This report supports Council's Strategic Plan 2022-2026 Focus Area #3 A Safe and Prepared Community:

Community safety and preparedness through effective planning, strategic partnerships and proactive programs.

3.4 Ensure civic infrastructure, assets and resources are effectively maintained and continue to meet the needs of the community as it grows.

This report supports Council's Strategic Plan 2022-2026 Focus Area #4 Responsible Financial Management and Governance:

Responsible financial management and efficient use of public resources to meet the needs of the community.

4.3 Foster community trust through open, transparent and accountable budgeting practices and processes.

Procurement Process

The City posted a Request for Quotation (RFQ) 8274Q On-Call Plumbing Contractor Services to BC Bid on June 16, 2023 and closed on December 13, 2023.

The purpose of the procurement process was to invite responses from qualified and capable plumbing contractors who would provide competitive billable rates over a maximum five-year term. The objective was to identify up to three qualified plumbing contractors who will be able to respond to frequent service requests from the City. The contract term described in the RFQ was for a three-year initial term, with an option to renew for two additional one-year terms.

Bidders were requested to propose hourly rates for on-call emergency repairs, scheduled servicing and maintenance of various plumbing systems as required.

Eleven submissions were received by the closing date from the following respondents:

- Baza Ventures Inc. (dba PJB Mechanical)
- Pacific Mechanical Ltd. (dba Kern BSG Management Ltd.)
- Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical)
- Entity Mechanical Ltd.
- Blueshore Mechanical Ltd.
- Ashton Mechanical Ltd.
- Lambert Plumbing Heating & Air
- J8 Plumbing & Heating Inc.
- High Mark Mechanical Services Ltd.
- Clearly Plumbing and Drainage Ltd.
- First District Mechanical

Review Process

The RFQ clearly stated that quotations would be reviewed to determine the overall best value to the City, with the greatest emphasis being on price. Staff therefore reviewed each contractor's proposed hourly rates, as well as their experience, capacity, systems, customer service, mark up on parts and sustainability.

Table 1 provides a summary of the financial quotations received. The financial proposals were based on each bidder's proposed hourly rates over the initial three-year contract and estimated hours based on historical data.

Table 1: Summary of Financial Proposals for the Initial Three-Year Contract

Company	Financial Proposal
Baza Ventures Inc. (dba PJB Mechanical)	\$1,505,058.00
Pacific Mechanical Ltd. (dba Kern BSG Management Ltd.)	\$1,523,664.00
Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical)	\$1,582,128.00
Entity Mechanical Ltd.	\$1,598,088.00
Blueshore Mechanical Ltd.	\$1,610,730.00
Ashton Mechanical Ltd.	\$1,849,080.00
Lambert Plumbing Heating & Air	\$1,949,040.00
J8 Plumbing & Heating Inc.	\$2,002,800.00
High Mark Mechanical Services Ltd.	\$2,042,427.00
Clearly Plumbing and Drainage Ltd.	Disqualified
First District Mechanical	Disqualified

Although 11 bids were received, the submission received from Clearly Plumbing and Drainage Ltd. was disqualified as they had an insufficient number of Red Seal Journeymen on staff. The submission received from First District Mechanical was also disqualified as they have not been in business for the minimum length of time specified in the RFQ.

Bidders were also required to propose hourly rates for Years 4 and 5 of the contract. Table 2 provides a summary of the financial proposals received from the three recommended bidders for Years 4 and 5.

Table 2: Summary of Recommended Bidders' Financial Proposals for Years 4 and 5

Company	Financial Proposal Year 4	Financial Proposal Year 5
Baza Ventures Inc. (dba PJB Mechanical)	\$508,427.00	\$515,423.50
Pacific Mechanical Ltd. (dba Kern BSG Management Ltd.)	\$520,292.00	\$529,595.00
Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical)	\$541,994.80	\$551,211.00

As a result of the review undertaken by staff, the submissions received from Baza Ventures Inc. (dba PJB Mechanical), Pacific Mechanical Systems Ltd. (dba Kern BSG Management Ltd.) and Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical) were determined to offer best value to the City.

Hourly rates will be fixed for the initial term of the contract and will increase in Years 4 and 5 of the contract. A contingency of 25 per cent has been included to account for continued cost escalation, unplanned emergency repairs related to the City's ageing infrastructure and to allow for future additional buildings that may fall under the City's responsibility.

Forecasted Expenditures

Tables 3 and 4 provide a summary of forecasted expenditures over the initial three years of the contract and anticipated expenditures for Years 4 and 5 should the City extend the contracts with the recommended respondents.

Table 3: Total Three-Year Term Cost

2024-2025	\$540,000.00
2025-2026	\$540,000.00
<u>2026-2027</u>	<u>\$540,000.00</u>
<u>Contingency</u>	<u>\$400,000.00</u>
Total (3 Years)	\$2,020,000.00

Table 4: Contract Extension for Two Additional Years

2027-2028	\$550,000.00
<u>2028-2029</u>	<u>\$560,000.00</u>
<u>Contingency</u>	<u>\$275,000.00</u>
Total (2 Years)	\$1,385,000.00

Financial Impact

None. Funding is available within the City’s Operating Budget and the Consolidated 5 Year Financial Plan (2024-2028).

Conclusion

Staff recommend that Contract 8274Q - On-Call Plumbing Contractor Services be awarded to Baza Ventures Inc. (dba PJB Mechanical), Pacific Mechanical Systems Ltd. (dba Kern BSG Management Ltd.) and Cobing Building Solutions Ltd. (dba C&C Electrical Mechanical) for a three-year term for an aggregate value of \$2,020,000.00 excluding taxes. The contracts are for an initial three-year term with the option to extend the contracts for two additional one-year terms for an estimated total value of \$3,405,000.00.

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JL:cc