



To: Public Works and Transportation Committee

Date: September 16, 2022

From: Jim V. Young, P. Eng.
Director, Facilities and Project Development

File: 99-PDFM/2022-Vol 01

Re: Contract 6511Q – On-Call Plumbing Contractor

Staff Recommendation

1. That staff be authorized to increase the value of the current contract “6511Q – On-Call Plumbing Contractor” with PJB Mechanical Plumbing and Heating, Entity Mechanical Ltd. and Ashton Service Group, as detailed in the report titled “Contract for 6511Q – On-Call Plumbing Contractor” dated September 16, 2022 from the Director, Facilities and Project Development for the maximum total amount of \$2,182,000 over the maximum available term of five years;

2. That the Chief Administrative Officer and General Manager, Engineering and Public Works be authorized to execute the contract amendment and all related documentation with PJB Mechanical Plumbing and Heating, Entity Mechanical Ltd. and Ashton Service Group, to reflect the increase in predicted usage of services over the five-year term.

Jim V. Young, P. Eng.
Director, Facilities and Project Development
(604-247-4610)

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

At the Closed Council Meeting on September 23, 2019, Resolution number IC19/14-7 was carried:

Item 3. AWARD OF CONTRACT 6511Q – ON CALL PLUMBING CONTRACTOR
(File Ref. No. 03-1000-20-511Q)

(1) That Contract 6511Q, as detailed in the staff report titled “Award of Contract 6511Q – On-Call Plumbing Contractor” dated August 21, 2019 from the Acting Director, Facilities be awarded for a five-year term commencing October 1, 2019, to all three responsive responsible bidders with the intent of assigning the majority of work to PJB Mechanical Ltd. as the primary service provider while Entity Mechanical Ltd. and Ashton Service Group serve as secondary backup service providers, for an estimated average annual amount of \$300,000, with an approximate total value of \$1,500,000 over a 5 year period; and

(2) That the above recommendation be announced at the next open Council meeting.

This report seeks Council approval to increase the Contract 6511Q spending limit to \$2,182,000.

This report supports Council’s Strategic Plan 2018-2022 Strategy #1 A Safe and Resilient City:

Enhance and protect the safety and well-being of Richmond.

1.2 Future-proof and maintain city infrastructure to keep the community safe.

1.3 Ensure Richmond is prepared for emergencies, both human-made and natural disasters.

1.4 Foster a safe, caring and resilient environment.

This report supports Council’s Strategic Plan 2018-2022 Strategy #5 Sound Financial Management:

Accountable, transparent, and responsible financial management that supports the needs of the community into the future.

5.2 Clear accountability through transparent budgeting practices and effective public communication.

Background

Contract 6511Q – On-Call Plumbing Contractor was awarded through a competitive bid process issued to the marketplace on March 7, 2019 and closed March 28, 2019. Three quotations were received by the closing date and were reviewed by staff. As the solicitation was a Request for Quotation (RFQ), the review was primarily based on each bidder's hourly rates, fixed for the duration of the contract. The work was awarded to three bidders, with PJB Mechanical Plumbing and Heating as the primary service provider and Entity Mechanical Ltd. and Ashton Service Group serving as secondary backup service providers.

The general scope of Contract 6511Q is for external plumbing contractors to provide on-call repair, preventative maintenance, and service and retrofitting of a variety of building plumbing systems at City facilities.

Council approval to award this contract over the full five-year term was received in 2019, prior to the COVID-19 pandemic. This estimate of \$1,500,000 was based on several years of cost data for this service, which takes into consideration historical plumbing related requirements and demands associated with the City's ageing facility infrastructure.

Performance of awarded contractors PJB Mechanical Plumbing and Heating, Entity Mechanical Ltd. and Ashton Service Group have met and exceeded the City's requirements and represents good value to the City.

The impacts of the pandemic were not contemplated when the value of Contract 6511Q was estimated in 2019 as the pandemic was not known to the City until 2020. Actions taken to prevent the transmission of disease and virus in City buildings have led to increased spending on plumbing infrastructure.

Analysis

The cost for plumbing services have exceeded original estimates due to the COVID-19 pandemic. The greatest increase in services occurred through significant investment in the plumbing infrastructure of City-owned facilities, particularly installation of touchless amenities in washrooms and kitchenettes to prevent the spread of virus and disease which were thought to be spread through contact with surfaces. Maintenance of the touchless systems is also projected to increase future costs, based on the additional complexity of repairs and increased cost of replacement parts.

The Council approved spending limit under Contract 6511Q is \$1,500,000 for a period of five years ending October 1, 2024.

The cost incurred under the Facility Services operating budget for plumbing services under Contract 6511Q from contract award in October 2019 to August 31, 2022 is approximately \$1,300,000. There is only approximately \$200,000 Council approved spending left for the remaining two years of the contract, which is insufficient to maintain the current level of service until the contract expires on October 1, 2024.

The estimated total cost to continue plumbing services at the current level under Contract 6511Q from August 31, 2022 to October 1, 2024 is \$2,182,000, which leaves a shortfall of Council approved spending of approximately \$682,000.

Council approval is required to increase the spending limit under Contract 6511Q from \$1,500,000 to \$2,182,000.

Financial Impact

None. The increased cost for plumbing services has been offset through savings in other areas.

The City applied to the Province of British Columbia for emergency pandemic related funding for the touchless upgrades to City facilities but was denied.

Conclusion

Upgrades to touchless washrooms by our plumbing contractors have been part of the City's response to the COVID-19 pandemic, to promote safe and healthy environments in our facilities. Costs under contract 6511Q – On-Call Plumbing Contractor have exceeded original estimates due to investment in plumbing infrastructure. This report seeks approval to increase the Council approved spending limit to \$2,182,000 over the five-year term.



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JL:cc