

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON JUNE 19, 2018
FROM:	ANNA LISA BARBON MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	REQUEST FOR PREQUALIFICATION 18-06 VENDOR OF RECORD LIST FOR INTERIOR RENOVATIONS

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to award of contracts for the Vendor of Record for interior renovations:

- (a) The prequalification responses submitted by:
- i. Bronnenco Construction Ltd., 1885 Blue Heron Drive, Unit 1 , London, ON, N6H 5L9
 - ii. Elgin Contracting and Restoration Ltd., 10 Barrie Blvd., St. Thomas, ON, N5P 4B9
 - iii. K & L Construction (Ontario) Ltd., 27-1615 North Routledge Park, London, ON, N6H 5N5
 - iv. michael + clark construction, 6447 Westminster Drive, London, ON, N6P 1N5
 - v. Tradition Construction Inc., 523 Bathurst Street, London, ON, N6B 1P5, and
 - vi. Van Boxmeer Construction Co. Ltd., 13466 Elginfield Rd, Lucan, ON, N0M 2J0

BE ACCEPTED;

- (b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these purchases; and
- (c) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into formal contracts or having a purchase order, or contract records relating to the subject matter of this approval.

PERTINENT REPORTS RELATED TO THIS MATTER

- None

BACKGROUND

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A Vendor of Record (VOR) arrangement is one in which an organization has established a list of suppliers to provide goods and/or services that were generally outlined in a Request for Proposal or Request for Qualification. Suppliers on a VOR, are invited to provide pricing for specific projects or supply goods during the defined period of the VOR.

VORs are used by all levels of government entities, such as, the Province of Ontario and the Ontario Education Collaborative Marketplace (OECM), as they allow for an organization to have a prequalified list of suppliers ready for when needs arise. Organizations that utilize VORs for services often have multiple projects through the year that are of varying dollar values but are

similar in nature. By prequalifying suppliers in advance, the organization can increase their efficiencies in having the projects completed as well as benefit from having multiple suppliers available, should scheduling become an issue.

In this particular VOR, the City requires contractors to complete interior renovations and miscellaneous work throughout the City operated facilities. In 2017, the work provided by contractors of this nature totalled \$700,000. The six contractors who are recommended to move forward as part of the VOR will be directed to submit to an invitational Request for Quotation and provide pricing per project. There is no commitment from the City to purchase the services and no guarantee that the contractor will be awarded these projects. Contractors on the VOR will be invited to bid on projects up to an estimated value of \$100,000. Projects below \$15,000 will follow the Procurement of Goods and Service's Policy, and will be quoted by contractors on the VOR. All interior renovations and miscellaneous work will be requested by the City's Facilities Design and Construction Project Manager or a staff representative when required by delegation. The City will solely decide, aligning with the Procurement of Goods and Services Policy, if one or multiple contractors from the VOR will be invited to bid.

Some examples of other VOR's that the City of London has leveraged are:

- Vendor of Record Arrangement for Mobile Devices and Services – Lead Agency – Province of Ontario
- Personal Computers, Laptops, Monitors and Services – Lead Agency – Province of Ontario
- Storm Water Management Facility Construction Projects – Lead Agency – City of London
- Telecommunications Fibre and Cable Installation and Repair – Lead Agency – City of London

The benefits of the Vendor of Record list are as follows:

- **Performance**

Given the value associated with being on the VOR contractor list, it will encourage the contractors to optimize their performance on projects in order to maintain their participation on the list.

- **Cost Effectiveness**

Bids will only be received from contractors who have met or exceeded the defined set of criteria therefore cost overruns associated with scheduling delays and quality issues will be limited.

- **Health & Safety**

For each project awarded as part of the VOR, one contractor will be designated as the "Constructor" as defined by the Occupational Health and Safety Act. The "Constructor" will be responsible for the Health and Safety of all workers on the project and comply with the Occupational Health and Safety Act and its regulations. This designation reduces the risk of the City becoming the "Constructor".

- **Administrative Efficiencies**

By having prerequisite documentation and vendor profile on record, the time and resources spent initiating a project is reduced and purchase orders can be issued without delay. Staff time spent supervising the work will be reduced as the VOR delivers the best overall value based on price, quality, performance, scheduling, health & safety and financial stability.

The VOR list will ensure that qualified contractors have equal opportunities to bid projects while reducing the time it takes to procure a project using a pool of high performing contractors. The VOR list will increase accountability, performance and provide measurable key performance indicators such as quality, scheduling and pricing on projects.

PURCHASING PROCESS:

The City issued a Request for Prequalification to create a VOR list for interior renovations through the bids&tenders website on April 17, 2018 for five (5) – one (1) year terms. The Request for Prequalification closed on May 3, 2018 and ten (10) compliant submissions were received.

The submissions were reviewed by staff from Purchasing & Supply and Facilities to ensure compliance with the requirements. All prequalification responses met the City’s requirements in all areas.

The Request for Prequalification was scored on the following predetermined evaluation criteria:

- Company Profile and Experience – 20%
- Sub-contractors – 15%
- Health and Safety – 15%
- Staff and Key Personnel Qualifications and Experience – 10%
- Quality Control/Project Management – 20%
- Schedule of Prices – 20%

Upon the completion of the review, Bronnenco Construction Ltd., Elgin Contracting and Restoration Ltd., K & L Construction (Ontario) Ltd., michael + clark construction, Tradition Construction Inc., Van Boxmeer Construction Co. Ltd., were the highest evaluated contractors who met and provided the best financial offer to the City. Therefore, these highest ranking contractors are recommended as the City of London’s preferred vendors of record for interior renovations.

FINANCIAL IMPACT:

Funding is provided through various Service Area’s operating and capital budgets.

ACKNOWLEDGEMENTS:

This report was prepared by John Devito, Facilities Design & Construction and Sarah Denomy, Purchasing and Supply.

SUBMITTED BY:	CONCURRED BY:
JOHN DEVITO, P.ENG MANAGER, FACILITIES DESIGN & CONSTRUCTION	TIM WELLHAUSER, C.I.M. DIVISION MANAGER, FACILITIES
CONCURRED BY:	RECOMMENDED BY:
IAN B COLLINS, CPA, CMA DIRECTOR, FINANCIAL SERVICES	ANNA LISA BARBON, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES & CITY TREASURER, CHIEF FINANCIAL OFFICER

cc: John Freeman, Manager, Purchasing and Supply
Mat Daley, Director, Information Technology Services