CITY OF HAMILTON
CORPORATE SERVICES DEPARTMENT
Treasury Services
Financial Services Division

TO: Chair and Members
Audit and Administration Committee
WARD(S) AFFECTED: CITY WIDE

COMMITTEE DATE: September 22, 2010

SUBJECT/REPORT NO:
Award of Corporate Tender C12-08-10 Supply, Delivery and/or Pick-up of Light Bulbs to Various Departments in the City of Hamilton (City Wide) (FCS10080)

SUBMITTED BY:
Antonio D. Tollis
Treasurer
Corporate Services Department

PREPARED BY:
Rick Male Ext 4157

SIGNATURE:

RECOMMENDATION

That the Corporate Tender C12-08-10 for the Supply, Delivery and/or Pick-up of Light Bulbs to Various City Departments in the City of Hamilton be awarded to the lowest compliant bidder, HD Supply Litemor, for an estimated annual total of $54,605.35.

EXECUTIVE SUMMARY

Request for Tenders for the Supply, Delivery and/or Pick-up of Light Bulbs to Various City Departments in the City of Hamilton closed on Tuesday, August 10, 2010. This is a Corporate-Wide Contract which will be utilized by various City of Hamilton Departments and City affiliates including: Hamilton Police Services, Hamilton Entertainment and Convention Facilities Inc., CityHousing Hamilton Corporation and the Hamilton Public Library.

The recommendation of the award for the contract is based on the compliant bid with the lowest total contract price. The total contract price was based on estimated
quantities as determined by the City. Bidders were required to provide fixed unit pricing for all light bulb requirements listed in the Request for Tenders.

Bid Submission Results: Six compliant submissions were received and the bid results are as follows:

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<td>Total Contract Price (1 year)</td>
<td>$54,605.35</td>
<td>$55,502.82</td>
<td>$57,579.01</td>
<td>$58,389.43</td>
<td>$60,626.78</td>
<td>$69,510.08</td>
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The initial term of the contract is for one year, with an option to renew for three additional one year terms, at the sole discretion of the City. Prices quoted will remain fixed for the initial term and any subsequent renewal terms exercised by the City.

As per Purchasing Policy, Section 4.4, Policy 4 - Approval Authority, item 4(b), approval is required for the award of Corporate Contracts.

**Alternatives for Consideration – Not Applicable**

**FINANCIAL / STAFFING / LEGAL IMPLICATIONS** (for Recommendation(s) only)

Financial:

Combined City requirements are used to maximize volume discounts offered by each vendor. The City has benefited from fixed pricing since 2001 when a City-Wide Contract was first issued.

As the City’s requirements have not remained static, a cost analysis was conducted on approximately one-third of the common items from the last Contract to this Contract. Unit price variances range from a savings of approximately 30 percent to price increases of approximately 17 percent, with an overall savings for these common items of approximately 3.25 percent per year.

Staffing: None

Legal: None
HISTORICAL BACKGROUND (Chronology of events)

The Purchasing Section issued a Request for Tender for the Supply, Delivery and/or Pick-up of Light Bulbs to Various City Departments in the City of Hamilton on July 19, 2010, and closed on August 10, 2010. Eight bidders picked up the Request for Tenders document and six compliant bids submissions were received.

POLICY IMPLICATIONS

As per Purchasing Policy, Section 4.4, Policy 4 - Approval Authority, item 4(b), approval is required for the award of Corporate Contracts.

RELEVANT CONSULTATION

All user departments were consulted and provided input for this Request for Tenders with respect to the specifications and special provisions.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

The City benefits from discounted volume based pricing when a Corporate Contract is issued versus each individual department securing prices on their own for similar goods. Management of the procurement of all these supplies is vastly simpler when dealing with a few vendors versus multiple vendors.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

The alternative method would be to secure competitive bids for each department, which would result in the duplication of effort, and the City would not realize the cost-savings by combing the required goods and services for several departments.

Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

Values: Honesty, Accountability, Innovation, Leadership, Respect, Excellence, Teamwork
CORPORATE STRATEGIC PLAN  (Linkage to Desired End Results)


APPENDICES / SCHEDULES

N/A.