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

COMMITTEE DATE: September 22, 2010

SUBJECT/REPORT NO:
Award of Contract C12-09-10 Supply and/or Delivery and Fitting of Various Safety Footwear for City of Hamilton Employees (FCS10074) (City Wide)

SUBMITTED BY:
Antonio D. Tollis
Treasurer
Corporate Services Department

PREPARED BY:
Rick Male Ext. 4157

RECOMMENDATION

That Tender C12-09-10 for the Supply and/or Delivery and Fitting of Various Safety Footwear for the City of Hamilton Employees be awarded to the lowest compliant bid for:

Option “A” – Mobile Service to Work Authority with an estimated expenditure of $198,800 for a three year period.

Option “B” – In-Store Service to Lawlor Safety with an estimated expenditure of $345,200 for a three year period.

EXECUTIVE SUMMARY

In accordance with the Purchasing Policy, Section 4.4, Policy 4 – Approval Authority, Council approval is required for the award of Corporate Contracts.
The City of Hamilton provides safety footwear for eligible employees and volunteers including Hamilton Entertainment and Convention Facilities Inc. (HECFI), Hamilton Public Library, CityHousing Hamilton Corporation and the Hamilton Police Services. This City Wide contract will provide mobile and in-store service to meet the needs of City employees.

The Request for Tenders was issued on Friday, July 30, 2010, and closed on Tuesday, August 17, 2010. There were six plan takers who secured the document and three compliant submissions were received. The award of the contract is being recommended to the compliant bidders with the lowest total contract price for Option “A” - Mobile Service and Option “B” - In-Store Service. The basis for calculating the total contract price was on estimated quantities required by the City. The actual value of the contracts will depend on the actual footwear supplied.

Bidders were required to provide fixed unit pricing for either Option “A” or Option “B” or both. In addition, bidders provided discount pricing on all other catalogue items available.

The term of the contracts is for a three year period with options for the City to extend for a maximum of two, one-year terms.

**Bid Submission Results**

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Total Contract Price (3 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Authority</td>
<td>$198,801.60</td>
</tr>
<tr>
<td>Mister Safety Shoes Inc</td>
<td>$239,610.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Total Contract Price (3 Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawlor Safety</td>
<td>$345,209.40</td>
</tr>
<tr>
<td>Work Authority</td>
<td>$397,603.20</td>
</tr>
</tbody>
</table>

**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 2003 when the Request for Tenders was last issued.

A unit pricing comparison is not applicable for this contract since the pricing requirements were structured differently in the new contract resulting in 10 footwear categories compared to 36 footwear categories in the previous contract.

Staffing:

None.

Legal:

None.

HISTORICAL BACKGROUND (Chronology of events)

The City of Hamilton is party to 11 collective agreements, including the Canadian Union of Public Employees (CUPE) Local 5167. This collective agreement expired on December 31, 2006. In early 2008, a tentative agreement was reached between the City and CUPE Local 5167 covering the period from January 1, 2007, to December 31, 2010. Notwithstanding ratification by both parties, four outstanding issues remained; one of these four issues included Article 24.6 – Boot Allowance. These outstanding issues were referred to mediation and eventually to interest arbitration. The footwear entitlement, as per the collective agreement, did not change. It remained status quo.

The current safety footwear contract (C12-07-03) expired in January 2008. Contract extensions were put in place until interest arbitration was completed and new contracts could be established. Interest arbitration was completed on October 21, 2009.

POLICY IMPLICATIONS

Purchasing Policy, Section 4.4, Policy 4 - Approval Authority requires Council approval when the Request for Tender is a Corporate Contract.
RELEVANT CONSULTATION

All user departments were consulted and provided input for this Request for Tender with respect to specifications and special provisions. The user departments consisted of the following:

- Senior Project Manager, Construction, Public Works, Environment and Sustainable Infrastructure
- Supervisor Building Inspections, Planning and Economic Development, Building Services
- Vehicle and Equipment Coordinator, Public Works, Energy, Fleet and Facilities
- Purchasing Officer, Corporate Services, CityHousing Hamilton Corporation
- Employment Supervisor - Helping Hands, Community Services, Employment, Housing and Long Term Care
- Superintendent - Water Construction, Public Works, Environment and Sustainable Infrastructure
- Facility Supervisor, Community Services, Recreation
- Assistant Deputy, Hamilton Emergency Services, Emergency Services
- CMMS Supervisor, Public Works, Environment and Sustainable Infrastructure
- Manager, Health, Safety & Wellness, City Managers Office, Human Resources
- Supervisor, Community Services, Culture
- Project Manager, Facility Capital Renewal, Public Works, Transportation, Energy and Facilities
- Fleet Superintendent, Public Works, Administration
- Garage Superintendent, Public Works, Energy, Fleet and Facilities
- Safety Specialist, City Managers Office, Human Resources
- Superintendent of Waste Collection, Public Works, Operations and Waste Management
- Superintendent, District 3, Public Works, Operations and Waste Management
- Manager, Operations & Logistical Support, Hamilton Emergency Services, Emergency Services
- Manager, Traffic Operations, Public Works, Transportation, Energy and Facilities
- Acting Manager, Infrastructure Planning, Planning and Economic Development, Development Engineering
ANALYSIS / RATIONALE FOR RECOMMENDATION
(include Performance Measurement/Benchmarking Data, if applicable)

The City benefits from discounted volume based pricing when a Corporate Contract is established versus each individual department securing prices on their own for products that are the same. Contract management of a Corporate Contract is more efficient when the City is dealing with one or two vendors versus many 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 see any cost-savings by combining the required services for several departments.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)


Skilled, Innovative & Respectful Organization
- A skilled, adaptive and diverse workforce, i.e. more flexible staff
- More innovation, greater teamwork, better client focus
- An enabling work environment - respectful culture, well-being and safety, effective communication

Financial Sustainability
- Financially Sustainable City by 2020
- Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner

Growing Our Economy
- An improved customer service

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
APPENDICES / SCHEDULES

None.