SUBJECT: Award of Corporate Tender C12-21-09 Supply and Delivery of Fine Paper As and When Required (FCS09078) (City Wide)

RECOMMENDATION:

That the Corporate Tender C12-21-09 for the Supply and Delivery of Fine Paper As and When Required be awarded to the lowest compliant bids per item as per the following sections:

- Section A - Standard Paper: Xerox Canada Ltd with an estimated annual expenditure of $219,785 and Buntin Reid (Division of Domtar Inc.) with an estimated annual expenditure of $23,013.

- Section B - Specialty Paper: Buntin Reid (Division of Domtar Inc.) with an estimated annual expenditure of $5,619.

EXECUTIVE SUMMARY:

The Tender for the Supply and Delivery of Fine Paper As and When Required closed on June 24, 2009. This is a Corporate-wide contract which will be utilized by various City of Hamilton departments.

The paper products were divided into two sections and Bidders were welcome to bid on any or all items in each of the sections. The contract was awarded to the lowest
compliant bid per item in each section to ensure the City was able to secure the lowest price per item.

The initial term of the contract is for a one year term, with an option to renew for four additional one year terms, at the sole discretion of 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.

**BACKGROUND:**

The Purchasing Section issued a Request for Tender for the Supply and Delivery of Fine Paper As and When Required on June 5, 2009, and closed on June 24, 2009. Six Bidders picked up the tender documents and two compliant submissions were received.

**ANALYSIS/RATIONALE:**

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 of these supplies is vastly simpler when dealing with a few vendors versus many vendors. Another benefit is that products are more uniform across the City.

The contract was further broken down into two sections: Section A - Standard Paper and Section B - Specialty Paper. The lowest compliant Bidders are being recommended for the award for each of these sections.

**Bid Results:**

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Section A Standard Paper</th>
<th>Section B Specialty Paper</th>
<th>Total Annual Estimated Expenditure (Year One)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Xerox Canada Ltd</td>
<td>$219,785</td>
<td></td>
<td>$219,785</td>
</tr>
<tr>
<td>Buntin Reid (Division of Domtar Inc.)</td>
<td>$ 23,013</td>
<td>$5,619</td>
<td>$ 28,633</td>
</tr>
</tbody>
</table>

The award for Section A - Standard Paper was awarded to two bidders; Xerox Canada Ltd and Buntin Reid (Division of Domtar Inc.). Xerox Canada Ltd. was awarded all the white standard paper items and Buntin Reid was awarded all the coloured standard paper.
A comparison of the unit pricing for white standard paper (including letter, legal and ledger sizes) shows that the City will not be incurring a price increase for this line of products. The analysis showed that there would be a 0.8 percent combined savings for these items.

**ALTERNATIVES FOR CONSIDERATION:**

The alternative method would be to secure competitive bids for each department, which would result in the duplication of effort by City staff. Also, the City would be at risk of not securing the most competitive pricing based on reduced volumes.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**  
Combined City requirements are used to ensure that volume discounts are obtained on a per item basis.

**Staffing**  
None.

**Legal**  
None.

**POLICIES AFFECTING PROPOSAL:**

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

**RELEVANT CONSULTATION:**

All City of Hamilton departments and staff from Hamilton Police Services were consulted and assisted with the tender specifications and special provisions.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, economic implications) we can make choices that create value across all three bottom lines, moving us closer to our vision for a sustainable community, and Provincial interests.

- Community Well-Being is enhanced. ☑ Yes ☐ No
- Environmental Well-Being is enhanced. ☑ Yes ☐ No
The tender specified that all products quoted must contain a minimum of 30 percent post consumer consumption.

**Economic Well-Being is enhanced.**  ☑ Yes  ☐ No

The issuance of this Corporate Contract enhances buying power and ensures that volume discounts are maximized for the City.

**Does the option you are recommending create value across all three bottom lines?**  ☐ Yes  ☑ No

**Do the options you are recommending make Hamilton a City of choice for high performance public servants?**  ☐ Yes  ☑ No