SUBJECT: Award of Tender C12-09-06 for the Supply and Delivery of Fine Paper As and When Required (FCS06105) (City Wide)

RECOMMENDATION:

That Corporate Tender C12-09-06 for the Supply and Delivery of Fine Paper As and When Required be awarded to the following vendors, in accordance with the terms and conditions of the tender, as follows:

- Schedules A, E and F of Corporate Tender C12-09-06 be awarded to Xerox Canada Ltd with an estimated annual cost of $442,587.95; and
- Schedules B, C, D and G of Corporate Tender C12-09-06 be awarded to Buntin Reid (Division of Domtar Inc.) with an estimated annual cost of $88,242.55.

Joseph L. Rinaldo
General Manager
Finance and Corporate Services

EXECUTIVE SUMMARY:

The tender for the Supply and Delivery Fine Paper As and When Required closed Thursday, September 7, 2006. This is a corporate-wide contract which will be utilized by various City of Hamilton departments. Section 4.10 – Approval Authority of the Purchasing Policy states that Council approval is required for the award of corporate contracts.

BACKGROUND:

The Purchasing Section issued the corporate-wide tender for the Supply and Delivery of Fine Paper As and When Required on Friday, August 25, 2006, which closed Thursday,
September 7, 2006. Four (4) vendors picked up the tender documents and four (4) submissions were received. The City received three (3) compliant bids.

**ANALYSIS/RATIONALE:**

Since the products tendered are used throughout the City, it is more cost-effective and efficient for the City to award the supply and delivery of these goods to these two vendors. The City benefits from volume discounted pricing when a corporate contract is issued versus each individual department securing prices on their own for smaller quantities.

**ALTERNATIVES FOR CONSIDERATION:**

The contract with the current supplier has been extended until October 1, 2006. If we continue to extend the current contract past October 1, 2006, the City will continue to incur additional price increases passed on from the manufacturer's paper mills for an undeterminable amount.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

Financial Implications

The tender submission information below outlines the bids received. The bidders were provided an extensive list of core items to price, as well as, the estimated annual usage for each item. The total price per schedule was determined by multiplying the estimated annual usage by the quoted unit cost for each core item listed.

The following submissions were reviewed:

**Section A Various City Departments:**

<table>
<thead>
<tr>
<th>Summary</th>
<th>Xerox Canada</th>
<th>Coast Paper</th>
<th>Buntin Reid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Price Schedule A</td>
<td>$163,149.20</td>
<td>$179,666.25</td>
<td>$170,422.15</td>
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<tr>
<td>Total Price Schedule B</td>
<td>No Bid</td>
<td>$14,031.89</td>
<td>$13,763.33</td>
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<tr>
<td>Total Price Schedule C</td>
<td>No Bid</td>
<td>$41,253.85</td>
<td>$26,262.07</td>
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<td>Total Price Schedule D</td>
<td>No Bid</td>
<td>$44,823.18</td>
<td>$41,033.43</td>
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**Section B Police Services:**

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<tr>
<th>Summary</th>
<th>Xerox Canada</th>
<th>Coast Paper</th>
<th>Buntin Reid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Price Schedule E</td>
<td>$1,692.80</td>
<td>$1,859.55</td>
<td>$1,780.20</td>
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<tr>
<td>Total Price Schedule F</td>
<td>$277,745.95</td>
<td>$398,303.05</td>
<td>$363,656.05</td>
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<tr>
<td>Total Price Schedule G</td>
<td>No Bid</td>
<td>$8,576.11</td>
<td>$7,183.72</td>
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</tbody>
</table>
Staffing Implications

There are no staffing implications.

Legal Implications

There are no legal implications.

POLICIES AFFECTING PROPOSAL:

Purchasing Policy Section #4.10 outlines the approval authorities for acquiring goods and services. This contract is a Corporate Contract and requires staff to bring a recommendation to Council for approval.

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 recycled products quoted contained a minimum of 10% post consumer consumption. The majority of the items quoted contained a minimum of 30% post consumer consumption.

Economic Well-Being is enhanced. ☑ Yes ☐ No

The issuance of this corporate contract 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