SUBJECT: Award of Corporate Tender C12-17-09 Supply and Delivery of Orange Reflective and Fire Resistant Clothing (FCS09076) (City Wide)

RECOMMENDATION:

That the Corporate Tender C12-17-09 Supply and Delivery of Orange Reflective and Fire Resistant Clothing to Various City of Hamilton Departments be awarded to the lowest compliant bid per section as follows:

- Section 1 (High Visibility Safety Clothing) to AGO Industries Inc. with a total estimated annual expenditure of $348,850.
- Section 2 (High Visibility Fire Resistant Clothing) to AGO Industries Inc. with a total estimated annual expenditure of $95,602.

EXECUTIVE SUMMARY:

This Corporate Contract is for the supply and delivery of orange reflective and fire resistant clothing and is for all City departments with the primary user being the Public Works Department.

The award of the contract was designed so that each section was awarded to the lowest compliant bidder for that section; either high visibility safety clothing or high visibility fire resistant clothing.
There were two sections of products available for bid and bidders were able to bid on one or both sections. The initial term of the contract is for a three year term, with an option to renew for two additional one year terms, at the sole discretion of the City.

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

**BACKGROUND:**

The Purchasing Section issued this Request to Tenders for the Supply and Delivery of Orange Reflective and Fire Resistant Clothing on May 19, 2009, and closed on June 4, 2009. There were 12 vendors who picked up the Request for Tenders document, with four bid submissions received for Sections 1 and 2. Three compliant bids were received for Section 1 and Section 2.

The lowest compliant bidder, Ago Industries Inc., is being recommended for the award for each of these sections. Ago Industries Inc. is the incumbent vendor for this contract.

The bid results for each section are as follows:

**Section 1 High Visibility Safety Clothing**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ago Industries Inc</td>
<td>$348,850</td>
</tr>
<tr>
<td>RS Material Handling</td>
<td>$458,533</td>
</tr>
<tr>
<td>Basil Corporation</td>
<td>$520,059</td>
</tr>
</tbody>
</table>

**Section 2 High Visibility Fire Resistant Clothing**

<table>
<thead>
<tr>
<th>Vendor</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ago Industries Inc</td>
<td>$95,602</td>
</tr>
<tr>
<td>RS Material Handling</td>
<td>$125,605</td>
</tr>
<tr>
<td>Basil Corporation</td>
<td>$131,812</td>
</tr>
</tbody>
</table>

**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 goods that are the same. Management of the procurement of all of these supplies is vastly simpler when dealing with a few vendors versus many vendors. Also products are more uniform across the City.

Various City divisions within Public Works actively participated in this Corporate Tender.

A financial analysis to compare previous years’ pricing to the pricing obtained in this Corporate Tender was difficult as the product mix was different. There were additional items added to this contract, so there was no comparator available for these items. Of the
remaining items, consolidated pricing was requested whereas pricing requested in the previous Tender had tiered pricing for size, differentiated men's and ladies clothing, had striping and logo costs priced separately.

**ALTERNATIVES FOR CONSIDERATION:**

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.

**FINANCIAL/STAFFING/LEGAL IMPLICATIONS:**

**Financial**
Volume discounts have been maximized by combining the City's requirements in this Corporate Tender.

**Staffing**
None.

**Legal**
None.

**POLICIES AFFECTING PROPOSAL:**

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

**RELEVANT CONSULTATION:**

Various divisions within Public Works (Operations and Maintenance, Water Wastewater) were consulted and provided input for this Request for Tender with respect to specifications and special provisions.

**CITY STRATEGIC COMMITMENT:**

By evaluating the “Triple Bottom Line”, (community, environment, and 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
- **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