SUBJECT: Award of Corporate Tender C12-18-09 Supply & Delivery of Clothing for City of Hamilton Employees (FCS09104) (City Wide)

RECOMMENDATION:

That the Corporate Tender C12-18-09 for the Supply and Delivery of Clothing for City of Hamilton Employees be awarded to the lowest compliant bid per section as per the following sections:

(a) Section 1- Navy Blue Work Clothing to Unisync Group Ltd. with an estimated annual cost of $168,723.80.

(b) Section 2- Managers and Supervisors Clothing Grey and Black to Unisync Group Ltd. with annual cost of $46,515.65.

Antonio D. Tollis
Treasurer
Corporate Services Department

EXECUTIVE SUMMARY:

Request for Tenders for the Supply and Delivery of Clothing for City of Hamilton Employees closed on Thursday, August 13th, 2009. This is a corporate-wide contract which will be utilized by various City of Hamilton departments.

The clothing items were divided into two sections and Bidders were welcome to bid on either or both items in each of the sections. The contract was awarded to the lowest compliant bid per section.
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. Prices quoted will remain fixed for the initial term and any subsequent renewal 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.

**BACKGROUND:**

The Purchasing Section issued a Request for Tender for the Supply and Clothing for City of Hamilton Employees on July 27, 2009, and closed on August 13, 2009. Ten bidders picked up the Request for Tender documents and 3 compliant submissions were received.

**ANALYSIS OF ALTERNATIVES:**

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 broken down into two sections: Section 1 – Navy Blue Work Clothing, and Section 2 – Managers and Supervisors Grey and Black Clothing. The lowest compliant bidder is being recommended for the award for each of these sections.

**Bid Results:**

<table>
<thead>
<tr>
<th>Bidders Name</th>
<th>Total Annual Estimate for Section 1 Blue Work Clothing</th>
<th>Total Annual Estimate for Section 2 Managers and Supervisors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unisync Group Ltd.</td>
<td>$168,723.80</td>
<td>$46,515.65</td>
</tr>
<tr>
<td>Avon Sportswear</td>
<td>$244,148.00</td>
<td>$53,457.10</td>
</tr>
<tr>
<td>R. Nichols Distributors Inc.</td>
<td>$216,737.50</td>
<td>$61,899.00</td>
</tr>
</tbody>
</table>

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:**

Combined City requirements are used to maximize volume discounts offered by each vendor. The City has benefited from fixed pricing since 2004 when the Request for Tenders was last issued. The previous contract was issued in 2003, and was for a five year contract term. A comparison of unit prices between this contract and the previous contract shows an approximate price increase of 5% over the five year term.
POLICIES AFFECTING PROPOSAL:

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

CONSULTATION WITH RELEVANT DEPARTMENTS/AGENCIES:

All City of Hamilton departments were consulted and assisted with the tender 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

City staff being clearly identified and all dressed in a similar matter, makes it easier for the public to identity with City employees.

Environmental Well-Being is enhanced. ☑ Yes ☐ No

Purchasing policy for Anti-Sweatshop procurement of all goods or products supplied under this request for tender was used. This policy insures products supplied have not been manufactured, assembled or produced, either wholly or in part, in a Sweatshop.

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