SUBJECT: Award of Corporate Tender C12-15-09 - Contractor Required to Provide Full Maintenance Program for the City of Hamilton Elevating Devices (FCS09085) (City Wide)

RECOMMENDATION:

That the Corporate Tender C12-15-09 – Contractor Required to Provide Full Maintenance Program for the City of Hamilton Elevating Devices be awarded to the lowest compliant Bidder as per the following schedule:

Schedule A – Corporate Facilities: ThyssenKrupp Elevator Canada Ltd., for an approximate five year total of $232,944.

Schedule B – Community Services – Recreation Division: Kone Inc., for an approximate five year total of $77,389.

Schedule C – Hamilton Police Services: Schindler Elevator Corporation for an approximate five year total of $27,571.

Schedule D – Public Works – Water Wastewater Division – Industrial – Main Pump House: ThyssenKrupp Elevator Canada Ltd., for an approximate five year total of $7,872.

Schedule E – Community Services – Long Term Care Facilities: Schindler Elevator Corporation for an approximate five year total of $27,781.

Schedule F – Hamilton Entertainment and Convention Facilities Inc: ThyssenKrupp Elevator Canada Ltd., for an approximate five year total of $351,474.
EXECUTIVE SUMMARY:

This is a Corporate Tender for the maintenance of the City of Hamilton elevating devices which will be utilized by the Facilities Division and Water and Wastewater Division of the Public Works Department, the Recreation and Long Term Care Divisions of the Community Services Department, the Hamilton Police Services and Hamilton Entertainment and Convention Facilities Inc.

The contract was designed to be awarded to the lowest compliant bid for each of the aforementioned divisions.

There were six (6) schedules available to bid, each schedule included all elevating devices within the division, and Bidders were welcome to bid on any or all of the six (6) schedules.

The initial term of the Contract expires December 31, 2012, with the option to renew for two additional one year terms to December 31, 2014.

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

BACKGROUND:

The Purchasing Section issued this Request for Tenders – Contractor Required to Provide Full Maintenance Program for the City of Hamilton Elevating Devices on May 26, 2009 and closed on June 23, 2009. Four Bidders picked up the tender documents and two compliant bids were received for all Schedules and one bid was received which was compliant for Schedules B, C, D and F only.

This is the first time that a Corporate Tender has been issued which encompasses all of the elevating devices within the City of Hamilton facilities, and has taken into consideration any existing contracts the City may currently have with the original equipment manufacturer.

**Submission Results: approximate five year total**

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<tr>
<td>Schindler Elevator Corporation</td>
<td>$234,799</td>
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<td>Kone Inc.</td>
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<td>$367,852</td>
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ANALYSIS/RATIONALE:

The City benefits from discounted volume based pricing when a Corporate Tender is issued versus each individual department securing pricing for maintenance services required at many locations. Management of the procurement of all of these services is vastly simpler when dealing with a few vendors versus many vendors.

A financial analysis to compare previous years’ pricing to the pricing obtained in this Corporate Tender was difficult as this was the first time that a Corporate Tender has been issued which encompasses all of the elevating devices within the City of Hamilton facilities.

ALTERNATIVES FOR CONSIDERATION:

The alternative method would be to secure competitive bids for each facility within the division, 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. Alternatively, the City could continue with the same practice of going to the original equipment manufacturer to service their own elevating device.

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 – Policy for 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.
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 Tender 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