

MEETING DATE: June 20, 2001

SUBJECT: Procurement Authorization - Stationery And Office Supplies (System Contract)

RECOMMENDATION

It is recommended that the Commission approve the acceptance of the proposal submitted by Grand & Toy and the issuance of a purchase order in the total upset limit amount of \$4,200,000 for the supply of stationery and office supplies for the period July 1, 2001 to December 31, 2004.

FUNDING

Funds are included in the Commission's current 2001 Operating Budget and will be included in future Operating Budgets.

BACKGROUND

The Commission currently has a 39-month contract with Grand & Toy for the supply of stationery and office supplies directly to each department (i.e. "desktop" delivery) within the TTC. This contract is due to expire on June 30, 2001.

DISCUSSION

A Request for Proposal (RFP) was issued to fourteen companies on November 15, 2000 in addition to a public advertisement in the Globe and Mail on November 17, 2000 inviting the submission of proposals for Stationery and Office Supplies. Three (3) companies responded by the December 18, 2000 proposal closing.

Proponents were requested to provide pricing based on a shopping basket of 200 items that are estimated to account for 70% of expenditures. Proponents were also requested to provide a discount off their published catalogue price for items outside the shopping basket and to identify those items in their catalogue that would not be subject to a discount. The items outside the shopping basket are estimated to account for the other 30% of the purchases. The published catalogue prices are subject to change annually over the term of the contract except paper and toner which are subject to a quarterly price review. Proponents were also invited to submit alternatives to the shopping basket items specified in the RFP for consideration by the Commission.

Proposals were evaluated based on specified requirements and pre-determined weighted criteria to determine if their proposals met the requirements of the RFP. Proposal evaluation meetings were conducted with all three of the companies which included an instructional tour of each company's web site for electronic ordering.

During the evaluation it was determined that the comparative analysis of the non-shopping basket items could not be completed as there was insufficient information to properly evaluate these items. Therefore, the proposal was cancelled and revised to reflect an improved non-shopping basket comparison.

Following revisions, a new Request for Proposal was issued to the three companies that had previously submitted responses on April 6, 2001. The three companies submitted proposals as detailed in Appendix 'A'.

Corporate Express Canada Inc. submitted the lowest overall evaluated price and did not state any exceptions or qualifications. However, they were ranked third in the weighted evaluation as they were not able to meet the specified requirements for electronic ordering as well as their inability to electronically block individual catalogue line items which are those items that are deemed to be restricted products which are available from the suppliers but not permitted to be purchased under this contract.

Grand & Toy submitted two pricing options. The first pricing option was pricing on the shopping basket items and a discount off the non-shopping basket items. The second option is based on a discount of 57% on all items with the exception of toner and office equipment (e.g. calculators, shredders, document cases etc.) which would be subject to a 10% discount. This pricing was found to be approximately 0.2% more than Corporate Express (approximately \$2000 per year). This second option from Grand & Toy is the highest rated proposal and is fully compliant with all the specified requirements. It is therefore recommended for award.

This second option is similar to the contract that Grand & Toy currently has with the City of Toronto except that the TTC would have "desktop" delivery rather than a combination of desktop delivery and delivery to a central warehouse for subsequent distribution that the City has arranged. It should be noted, however, that unlike the Commission the City does not purchase its paper or toner requirements through its Grand & Toy contract as they are contracted separately.

In addition, Grand & Toy have offered an annual 1% discount off electronic orders provided that 50% of the Commission's orders are placed electronically. Grand & Toy have also offered a further 1% discount if the percentage of Commission orders placed under \$50.00 is reduced to 15% of the total orders placed. It is anticipated that these discounts are very achievable to the Commission and represent a potential savings of \$24,000 per year from the estimated cost of this contract.

Grand & Toy is the present supplier to the Commission and have performed the contract in a very satisfactory manner. They are also the current supplier for the Toronto Police Services, Toronto Hydro, Ontario Hydro Generation Co., and The City of Toronto under similar contracts and they are recommended for award of the contract.

Based on a review of the Commission's requirements, it is estimated that over the next three and one half years the Commission will require approximately \$4,200,000 in stationery and office supplies to ensure material availability necessary for on-going business operations.

JUSTIFICATION

Award of this contract will ensure the uninterrupted supply of stationery supplies for the Commission's on-going business requirements.

June 7, 2001

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Attachment – Appendix 'A'

APPENDIX 'A'

STATIONERY AND OFFICE SUPPLIES

PROPOSAL ANALYSIS

COMPANY	WEIGHTED EVALUATION	PROJECTED
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	RANKING	FORTY-TWO MONTH EVALUATED PRICE
Grand & Toy (Option #1)	1	\$3,691,968.14
Grand & Toy (Option #2)	1	\$3,611,608.17 *
Lyreco Office Products	2	\$4,113,225.55
Corporate Express Canada Inc.	3	\$3,604,724.79

* Recommended for Award

WEIGHTED EVALUATION CRITERIA

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σ Corporate Qualifications

- Staff Qualifications
- Electronic Ordering
- Product Catalogue