

MEETING DATE: May 14, 2003

SUBJECT: Procurement Authorization - Supply Of Courier And Cartage Services

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to Atripco Delivery Service (Atripco) for the provision of courier and cartage services in the total upset limit amount of \$610,000 for a three-year term commencing on June 1, 2003.

FUNDING

Sufficient funds have been included in the 2003 TTC Operating Budget and will be included in future Operating Budgets as appropriate.

BACKGROUND

The TTC currently has a courier delivery service contract for the delivery of documents from any part of the TTC to any outside location within the GTA, Canada or internationally. There is also a cartage contract, which provides same day rush and next day service for the delivery of primarily revenue vehicle parts between various Controlled Stores' locations. The current contracts are scheduled to expire on May 31, 2003.

DISCUSSION

A Request for Proposal (RFP) was issued to 11 companies in addition to a public advertisement on the TTC website on April 2, 2003. A total of seven companies submitted proposals, as summarized in Appendix A.

Proponents were required to submit firm pricing for each year based on a flat rate per shipment for each of the following; courier deliveries under 3lbs, mass mailings and cartage deliveries under 1,000lbs within the GTA. In addition, for deliveries outside the GTA including international shipments, proponents were required to provide their published list price and the percentage discount that would be applicable as well as any other conditions that would impact their published list price.

Proponents were also to provide other information after the proposal closing if requested (e.g. experience of proposed staff, references, tracking capabilities, list of subcontractors, internet functionality/capabilities, etc.).

Proponents were given the option of submitting a proposal for either the courier or cartage delivery requirements or both, with the intent of awarding to the lowest proponent for each service or the entire work. All of the companies submitted pricing for the courier service and only three priced the cartage service.

Atripco submitted the lowest evaluated proposal for both the courier and cartage requirements. Their submission did not include any exceptions, however it included the following four qualifications which are considered acceptable; waiting time charge is applicable for rush deliveries only, a charge is applicable for providing proof of delivery after 30 days, a flat rate charge per shipment is applicable for cartage orders placed between 6:00 p.m. and 7:00 a.m. and Atripco will not be responsible for damage that is the result of improper packaging by TTC.

Atripco is the current contractor for both of these services and their performance has been satisfactory. Atripco's submission is considered commercially and technically acceptable and they are recommended for award.

Hotline Express/Intelcom submitted the second lowest proposal for the courier deliveries and did not offer pricing for cartage services. They did not state any exceptions or qualifications, but were not further evaluated due to higher pricing.

Split Second Courier submitted the second lowest proposal for cartage deliveries and the fourth lowest for courier services. They did not state any exceptions or qualifications, however their submission includes pricing alterations that have not been initialed as required by the RFP, therefore their submission is considered non-compliant.

Provincial Parcel Services (PPS) did not provide a flat rate per shipment for either the courier and cartage deliveries as required in the RFP. Their pricing for courier and cartage was based on a base rate plus the cost per zone for courier and an hourly rate for cartage. Also their pricing for cartage was subject to adjustment based on a fluctuating fuel charge. Their evaluated proposal price represents a partial bid only as staff was unable to evaluate the price of their proposal for either courier or cartage. PPS's proposal is considered non-compliant.

A price comparison of the courier services within the GTA, which accounts for approximately 70% of the courier expenditures, revealed that Atripco's price for the first two years of the new contract is the same as the current rate. The price for courier services increases by 3.0% in year three. A price comparison of the cartage services within the GTA, which accounts for approximately 95% of the cartage expenditures, revealed that Atripco's price for the first year of the new contract is the same as the current rate. The price for cartage services increases by 3.0% in year two over the year one price and increases by 3.0% in year three over the year two price.

The recommended upset limit amount includes an allowance of 10% to allow for fluctuations in usage over the three-years of the contract.

JUSTIFICATION

A courier service contract is required to provide deliveries of documents between the TTC and any outside location within the GTA, Canada or internationally and cartage services are required for the delivery of primarily revenue vehicle parts between various Controlled Stores' locations within the TTC.

May 1, 2003

9-118-57

Attachment – Appendix ‘A’

APPENDIX ‘A’						
SUPPLY OF COURIER AND CARTAGE SERVICES						
<u>PROPOSAL SUMMARY</u>						
Evaluated Proposal Price - Three Years						
		Atripco Delivery Service	Hotline Express/ Intelcom	Split Second Courier	Purolator	Time Tr Courier Ser
Courier Services		\$350,762.59	\$449,061.94	\$512,971.38	\$491,783.02	\$564,595.
Cartage Services		\$204,665.25	N.Q.	\$304,119.15	N.Q.	N.Q.

TOTAL		\$555,427.84 *	\$449,061.94	\$817,090.53 **	\$491,783.02 **	\$564,595.00

* Recommended for award

** Non-compliant: either offered only a partial pricing or did not complete their form of proposal or stated ex

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