

MEETING DATE: AUGUST 31, 2005

SUBJECT: Supply Of Vehicle Cleaner

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for various vehicle cleaning products to the following companies:

- WC Environmental / Warren Chemicals Incorporated in the upset limit amount of \$433,000 including applicable taxes for a three-year period from September 2005 to September 2008.
- Johnson Diversey in the upset limit amount of \$183,000 including applicable taxes for a three year period from September 2005 to September 2008.
- D.A. Stuart Incorporated in the upset limit amount of \$16,000 including applicable taxes for a one year period from September 2005 to September 2006.

FUNDING

Sufficient funds are available in the 2005 TTC Operating Budget and will be included in future Operating Budgets as appropriate. These inventory materials will be charged to the appropriate budget at the time of issuance from Stores.

BACKGROUND

The subject vehicle cleaning products are used for various revenue and non-revenue vehicle cleaning needs.

DISCUSSION

Proposals were invited from eight known companies coupled with an advertisement on the TTC internet website on May 4, 2005. Five companies submitted tenders as summarized in Appendix 'A'.

The proposal called for pricing for 8 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. The Commission reserved the right to award one, two or three year contracts at its discretion. A total of 6 part types are being recommended for award. Compliant bids were not received for two part types. Staff will subsequently make these part types the subject of a future RFP.

WC Environmental / Warren Chemicals Incorporated submitted prices on 3 part types and has the lowest compliant price on all 3 part types. They are recommended to be awarded an upset limit contract for \$433,000 for these 3 part types.

Johnson Diversey submitted prices on all 8 part types and has the lowest compliant price on 2 part types. Their proposal offered alternatives on 6 part types which were not considered further. They are recommended to be awarded an upset limit contract for \$183,000 for the 2 part types.

D.A. Stuart submitted a price on 1 part type and has the lowest compliant price on that 1 part type. Their offer was based on a one-year term They are recommended to be awarded an upset limit contract for \$16,000 for the 1 part type.

Hansler Smith Limited submitted prices on 1 part type however their submission requirements were incomplete thereby rendering their proposal as non-compliant and unacceptable.

WOW Brands Div. submitted prices on 6 part types however they did not have the lowest price on any of these part types.

The recommended upset limit awards to WC Environmental/Warren Chemicals and Johnson Diversey include an approximate 20% contingency and the award to D.A. Stuart includes an approximate 10% contingency for variances between forecasted and actual usage and new parts yet to be identified which may be added to the contracts during the contract terms.

Overall, the pricing for the new three-year inventory supply contracts is the same in the first year of the contract compared to current pricing. The pricing will be approximately 2% higher in year two compared to year one pricing and approximately 4% higher in year three compared to year two pricing.

JUSTIFICATION

These vehicle cleaning products are required in order to support various revenue and non-revenue vehicle cleaning needs.

August 15, 2005
9-118-55
Attachment – Appendix ‘A’

APPENDIX 'A'

SUPPLY OF VEHICLE CLEANER

PROPOSAL SUMMARY

<u>Proponent</u>	<u>No. of Items Priced</u>	<u>Amount Proposed</u>	<u>No. of Items Recommended</u>	<u>Recommended Upset Limit Amount</u>
WC Environmental / Warren Chemicals Incorporated	3	\$360,502.00	3	\$ 433,000
Johnson Diversey Canada Incorporated	8	\$1,116,527.63	2	\$ 183,000
D.A. Stuart Incorporated	1	\$13,981.24	1	\$ 16,000
Hansler Smith Limited	1	\$130,939.00	-	\$ -
WOW Brands Div.	6	\$1,981,470.89	-	\$ -