

Meeting Date: APRIL 19, 2006

Subject: Procurement Authorization - Supply Of Arc Resistant Clothing

Recommendation

It is recommended that the Commission approve the issuance of a Purchase Order to ISECO Safety Footwear Limited for the supply of Arc Resistant Clothing in the upset limit amount of \$675,000 for a three year period commencing upon award.

Funding

Sufficient funds are included in the 2006 TTC Operating Budget and will be included in future Operating Budgets as required.

Background

The Commission previously purchased Arc Resistant Clothing with other maintenance clothing through Mark's Work Wearhouse. During evaluation of the previous contract, it was recommended that Arc Resistant Clothing be removed from the maintenance clothing contract and a separate competitive proposal be issued for the specialized Arc Resistant Clothing e.g. winter weight parkas, lined and unlined coveralls, lined and unlined overalls, pants, etc.

The supply of Arc Resistant Clothing was provided by a voucher program for the Commission's Local 2 which consists of approximately 400 unionized and staff employees for predetermined lists of specialized arc resistant work clothing. The contract consisted of providing and maintaining a readily available supply of pre-selected clothing from a minimum of one retail outlet in the Greater Toronto area to service the needs of Local 2 Unionized employees and selected supervisory personnel. Employees were issued a clothing voucher to obtain custom arc resistant orange work clothing on an as required basis.

Discussion

Fifteen companies were invited to submit proposals in addition to the public advertisement on the TTC Website out of which four companies submitted proposals as summarized on the attached 'Appendix A'.

Proponents were requested to submit yearly pricing on fifty two items based on estimated yearly quantities based on the specifications and were required to submit pricing on all items for a three year period. All Proponents quoted on all items and submitted firm pricing for each year of the contract.

Proponents were also required to provide the following during the term of the contract: vouchers and posters; dedicated technical/sales representative; supply of reports; have one store in the GTA with a readily available supply of pre-selected clothing and assign a dedicated representative to assist in the sizing of employees at various TTC locations for the 2006 bulk order of parkas.

AGO Industries Incorporated submitted the lowest priced proposal, however, their submission is non-compliant as they will not supply vouchers and posters as required. In addition, they do not have the one store location in the GTA as required and have inventory only at their location in London, Ontario.

ISECO Safety Shoes submitted the second lowest priced proposal. They meet all the requirements of the Proposal, did not state any exceptions or qualifications and their store location in North York is acceptable. ISECO's proposal is considered acceptable and they are recommended for award.

Mark's Work Wearhouse submitted the third lowest priced proposal and their submission stated no exceptions or qualifications and is also considered acceptable.

R. Nicholls Distributors submitted the highest priced proposal. They did not state any exceptions or qualifications and their submission is also considered acceptable.

The pricing quoted by ISECO Safety Shoes is approximately 8% less for year 1 than those currently being paid to our current supplier, Mark's Work Wearhouse, with a 2% increase over year 1 for year 2 and a 2.6% increase over year 2 for year 3 .

The upset limit amount includes an allowance of approximately 20% to cover variances in the estimated quantities over the term of the contract.

Justification

Approval for this report will ensure the uninterrupted supply of Arc Resistant Clothing for the Commission's on-going business requirements.

March 29, 2006

9-118-73

Attachment – Appendix 'A'

APPENDIX 'A'

SUPPLY OF ARC RESISTANT CLOTHING

PROPOSAL SUMMARY

PROPOSERS	PROPOSAL TOTAL (T)
AGO INDUSTRIES INC.	\$393,298.39
ISECO SAFETY FOOTWEAR LTD.	\$562,345.1
MARK'S WORK WEARHOUSE	\$616,856.5
R. NICHOLS DISTRIBUTERS INC.	\$834,711.1

* Recommended for award.

** Commercially non compliant.