

MEETING DATE: APRIL 19, 2006

SUBJECT: Purchase Of Chemicals

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of various chemicals to the following companies for the period from April 2006 to April 2009:

- Hansler Smith Limited for \$202,000 including applicable taxes.
- EIMET for \$144,000 including applicable taxes.
- Compass Flooring Limited for \$66,000 including applicable taxes.
- Mister Chemical Limited for \$50,000 including applicable taxes.
- Johnson Diversey Canada Incorporated for \$26,000 including applicable taxes.
- West Penetone Incorporated for \$22,000 including applicable taxes.
- J.I.S. Specialty Products for \$12,000 including applicable taxes.
- Bowman Distribution, Barnes Group for \$8,700 including applicable taxes.
- Brodi Chemicals for \$7,500 including applicable taxes.
- Sartomer, Company Incorporated for \$1,400 including applicable taxes.

FUNDING

Sufficient funds to cover these items have been included in the 2006 TTC Operating Budget and will be included in future budgets as required. These inventory materials will be charged to the appropriate budget at the time of issuance from Stores.

BACKGROUND

The subject chemicals are used for varying maintenance needs within the Commission's operating areas. Several examples include machine coolant, switch and contact cleaner and air conditioning cleaning solvent.

DISCUSSION

Proposals were invited from twenty-one known companies coupled with an advertisement on the TTC

internet website on December 9, 2005. Fifteen companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 28 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 23 part types are being recommended for award. The 5 part types that are not being recommended for award are comprised of 4 part types that had no compliant bids. Further, there is 1 part type that did not receive any quotes. Staff will investigate these 5 part types and they may subsequently be the subject of a future proposal.

Hansler Smith Limited submitted prices on 15 part types and has the lowest price on 12 part types. However, 1 part type was the lowest price but it was incomplete as it did not contain the required lead times thereby, rendering that part type as non-compliant and was not considered further. They are recommended to be awarded an upset limit contract for \$202,000 for 11 part types.

EIMET submitted prices on 2 part types and has the lowest price on this 1 part type. They are recommended to be awarded an upset limit contract for \$144,000 for this 1 part type.

Compass Flooring Limited submitted prices on 1 part type and has the lowest price on this 1 part type. They are recommended to be awarded an upset limit contract for \$66,000 for this 1 part type.

Mister Chemical Limited submitted prices on 10 part types and has the lowest price on 7 part types. However, their proposal contained prices for 3 part types that are alternatives thereby rendering those part types as non-compliant and were not considered further. They are recommended to be awarded an upset limit contract for \$50,000 for 4 part types.

Johnson Diversey Canada Incorporated submitted prices on 7 part types and has the lowest price on 3 part types. However, their proposal contained prices for 2 part types that are alternatives thereby rendering those part types as non-compliant and were not considered further. They are recommended to be awarded an upset limit contract for \$26,000 for 1 part type.

West Penetone Incorporated submitted prices on 1 part type and is the only proponent that submitted pricing for this part type. They are recommended to be awarded an upset limit contract for \$22,000 for this 1 part type.

J.I.S. Specialty Products submitted prices on 1 part type and has the lowest price on this 1 part type. They are recommended to be awarded an upset limit contract for \$12,000 for this 1 part type.

Bowman Distribution, Barnes Group submitted prices on 2 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$8,700 for this 1 part type.

Brodi Chemicals Incorporated submitted prices on 1 part type and has the lowest price on this 1 part type. They are recommended to be awarded an upset limit contract for \$7,500 for this 1 part type.

Sartomer, Company Incorporated submitted prices on 1 part type and has the lowest price on this 1 part type. They are recommended to be awarded an upset limit contract for \$1,400 for this 1 part type.

Electrosonic Incorporated submitted prices on 1 part type but were not the lowest price for that part type.

CRC Canada Incorporated submitted prices on 1 part type but were not the lowest price for that part type.

Toronto Salt & Chemical Limited submitted prices on 1 part type but were not the lowest price for that part type.

D.A. Stuart Incorporated submitted prices on 1 part type however their proposal did not contain required pricing for the second and third year thereby rendering their proposal as non-compliant. They were not considered further.

Spectra Products Incorporated submitted prices on 1 part type however their proposal did not contain required pricing for the second and third year thereby rendering their proposal as non-compliant. They were not considered further.

Each contract includes approximately 20% 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 term.

The pricing for the new three-year inventory supply contracts are approximately 28% lower in the first year of the contract. The pricing will be approximately 5% higher in year two based on year one pricing and approximately 3% higher in year three based on year two pricing.

JUSTIFICATION

These varying chemicals are required in order to support varying maintenance needs within the Commission.

March 30, 2006
9-118-55
Attachment – Appendix ‘A’

APPENDIX 'A'

PURCHASE OF CHEMICALS

PROPOSAL SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF RECOM
Hansler Smith Limited	15	\$493,747.54	1
EIMET	2	\$127,273.61	
Compass Flooring Limited	1	\$ 55,125.25	
Mr. Chemical Limited	10	\$162,560.19	
Johnson Diversey Canada Incorporated	7	\$163,024.07	
West Penetone Incorporated	1	\$ 18,324.85	
J.I.S. Specialty Products	1	\$ 9,747.86	
Bowman Distribution, Barnes Group	2	\$ 7,981.00	
Brodi Chemicals Incorporated	1	\$ 6,199.65	
Sartomer, Company Incorporated	1	\$ 1,179.90	
Electrosonic Incorporated	1	\$195,730.00	
CRC Canada Incorporated	1	\$ 63,623.75	
Toronto Salt and Chemicals Limited	1	\$ 3,013.92	
Spectra Products Incorporated *	1	--	
D.A. Stuart Incorporated *	1	--	

* Submitted incomplete proposal rendering their submission non-compliant