

MEETING DATE: July 19, 2006

SUBJECT: Procurement Authorization For The Supply Of Subway Transfer Paper

RECOMMENDATION

It is recommended that the Commission approve the issuance of a purchase order to MAG 2000 Plus, for the supply of subway transfer paper in the amount of \$600,127.50 for the period January 1, 2007 to December 31, 2009.

FUNDING

Sufficient funds for the 2007 expenditures will be included in the 2007 TTC Operating Budget and sufficient funds will be provided for in future operating budgets as required.

BACKGROUND

The Commission has a continuing requirement for the supply of thermal transfer paper for use in subway transfer machines.

DISCUSSION

Fourteen companies were invited to submit tenders in addition to the advertisement on the TTC Website on May 1, 2006 out of which six companies submitted tenders as summarized on the attached Tender Summary.

Tenderers were required to submit firm pricing for each of the three years and also an Agreement Bond or an Agreement to provide an Irrevocable Letter of Credit for 50% of their contract price.

Datamark Systems submitted the lowest priced Tender, however, they have stated that costs may increase in the second and third years of the contract due to increased costs in raw material. As a result, their submission is considered non-compliant.

Canada Ticket Incorporated submitted the second lowest Tender. They submitted an Irrevocable Standby Letter of Credit for an amount not to exceed \$75,000.00 (50% of their contract price would be approximately \$300,000.00) which is unacceptable. As a result, their submission is considered non-compliant.

MAG 2000 Plus submitted the third lowest Tender. They did not state any exceptions or qualifications and their submission is considered acceptable and recommended for award. Since MAG 2000 Plus has not provided this service previously for the Commission, staff performed

reference checks which revealed that MAG 2000 Plus's performance has been very satisfactory.

Relizon Canada Incorporated submitted the fourth lowest Tender, however, they did not submit the Agreement to Bond stating that it would follow which is unacceptable. As a result, their submission is considered non-compliant.

Moore Canada submitted the fifth lowest Tender. They did not state any exceptions or qualifications and their submission is considered acceptable.

The Data Group of Companies (Data Business Forms) submitted the highest Tender. They did not state any exceptions or qualifications and their submission is also considered acceptable.

The price quoted by MAG 2000 Plus is approximately 14% less than the current contract for year 2007 with an approximate increase of 3.5% for year 2 over year 1 and 3.75% for year 3 over year 2.

JUSTIFICATION

To ensure an uninterrupted supply of Subway Transfer Paper from January 1, 2007 to December 31, 2009, it is necessary to proceed with the award of a new contract at this time.

June 15, 2006
17-30
Appendix A – Summary of Tenders

APPENDIX A

**PROCUREMENT AUTHORIZATION FOR
THE SUPPLY OF SUBWAY TRANSFER PAPER**

TENDER SUMMARY

TENDERER	**Data Systems	**Canada Ticket	*MAG 2000 PLUS	**RELIZON CANADA	Moore Canada	The Data Group of Companies
GRAND TOTAL	\$453,520.90	\$590,451.40	\$600,127.50	\$661,887.10	\$723,592.67	\$768,238.40

***Recommended for award**

****Non-Compliant**