

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: December 6, 2007

SUBJECT: PROCUREMENT AUTHORIZATION
FOR SUPPLY OF UNIFORM SUITS

RECOMMENDATION

It is recommended that the Commission approve issuance of a Purchase Order to R. Nicholls Distributors Inc. in the upset amount of \$3,865,447.85 for the Supply of Uniform Suits for a three year period until December 31, 2010.

FUNDING

Sufficient funds for the 2008 expenditures are included in the 2008 TTC and Wheel-Trans Operating Budgets and sufficient funds will be provided for in future operating budgets as required.

BACKGROUND

Under the terms of the Collective Agreement, the Commission is required to supply Operators and Collectors with uniform suits every two years. Further, the uniforms are to be manufactured by a company with the appropriate union affiliation. In addition, the Commission also supplies suits to uniformed Supervisory personnel.

DISCUSSION

Seven companies were invited to submit proposals in addition to the public advertisement on the TTC Web Site on October 9, 2007, out of which three companies submitted proposals as summarized in Appendix A.

The Request for Proposal (RFP) was issued for the supply of Operator and Supervisory Uniform Suits consisting of Blazers, Pants, Shorts and Maternity wear. It also stipulated that the Operator's garments have to be manufactured by union personnel and have union labels affixed to the finished garments. Consequently, the Proponents were required to submit with their proposal proof of union affiliation for the Operator clothing. Further, the Proponents were also required to provide the name and address of the manufacturing facility(s) to be utilized in the production of the clothing in order to determine that the garments were being purchased from responsible manufacturers that comply with the Commission's specified requirements.

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Due to the customized fitting requirements the RFP indicated that the award of the contract would be made to a single bidder on the basis of the lowest overall proposal pricing.

The Uniform Group Incorporated submitted the lowest priced Proposal. However, they propose to manufacture the garments in their own facility, but as they are not a unionized manufacturer they do not comply with the Union Made requirement and therefore, their submission is considered non-compliant.

R. Nicholls Distributors Inc. (R. Nicholls) submitted the second lowest Proposal. They did not state any exceptions or qualifications in their submission and they provided evidence of union affiliation and the names and addresses of the manufacturing facilities to be utilized in the manufacture of their contract. Both R. Nicholls and their two manufacturing facilities (Technofil Incorporated and Cooper Clothing) were reviewed by the City of Toronto's Fair Wage Office and City staff has confirmed that they all comply with the City's Fair Wage Policy. Staff has also confirmed that the manufacturing facilities are unionized with "Unite Here" in Montreal.

R. Nicholls' submission is considered acceptable and they are recommended for award in the upset amount of \$3,865,447.85 for a three year period until December 31, 2010.

CFM Uniforms Incorporated submitted the third and highest Proposal. CFM have stated that if they were awarded this contract their manufacturing facility would take the necessary steps and apply for union status with the "Unite Here" union. This is not acceptable as they do not currently comply with the Union Made requirement for the Operator Blazers and therefore, their submission is considered non-compliant.

The unit prices quoted by R. Nicholls are on average approximately 24% higher for year one than those currently being paid to a different supplier with a 2.8% increase in year two over year one pricing and a 3% increase in year three over year two pricing. An investigation by staff as to the reasons for the increase revealed that although there have been increases in wages and benefits as well as energy costs, the primary reason is a dramatic increase in the cost of the fabric from the fabric manufacturer. Currently there is only one approved source for the uniform fabric; however staff recently identified an alternative fabric that will be tested for potential use in the future.

Vendor Performance Review reports were recently completed by the Support Services Department on the three contracts that R. Nicholls currently have with the Commission (i.e. golf shirts, uniform dress shirts and topcoats). The reports noted that R. Nicholls has had a variety of performance problems. Generally while R. Nicholls has performed the work, it has not been without several delivery delays and has required an extra effort by Support Services staff to closely monitor their performance. Subsequent to the award of this contract, R. Nicholls' performance will be closely monitored.

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JUSTIFICATION

Approval of this contract will ensure the uninterrupted supply of uniform suits for Operators and Collectors as well as Supervisory personnel for 2008, 2009 and 2010, in accordance with the terms of the Collective Agreement.

November 21, 2007

17-30

Appendix A - Summary of Proposals

APPENDIX A

Procurement Authorization for Supply of Uniform Suits

Summary of Proposals

Tenderers	Total Tendered Price
The Uniform Group Inc.	\$3,362,714.94
R. Nicholls Distributors Inc.	*\$3,865,447.84
CFM Uniforms Inc.	\$3,956,778.12

* Recommended for Award