
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: JANUARY 31, 2007

SUBJECT: Procurement Authorization For Dry Cleaning Of Uniform Garments For A Three Year Period

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to Dove Corporation in the upset amount of \$3,258,000 for a three year period for the provision of dry cleaning services.

FUNDING

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

BACKGROUND

Under the terms of the Collective Agreement with Local 113, the Commission is required to supply vouchers for the cleaning of uniform clothing and maintenance parkas.

Employees redeem cleaning vouchers at individual cleaning locations in order to obtain cleaning services for Commission issued clothing. The company collects the vouchers from their outlets and forwards them, with an invoice, to the Commission for payment.

DISCUSSION

The only two companies (Dove Corporation and The Dry Cleaner) known to be capable of providing this service to the Commission were invited to submit a Proposal. The Request for Proposal (RFP) stated that the Commission reserved the right to negotiate all aspects of a proponent's proposal, including price.

In conjunction with the RFP, staff also posted a Request for Information (RFI) on the TTC Website on October 25, 2006 to identify any other companies that could meet the Commission's requirement for the dry cleaning of Uniform Garments. The RFI also stated that a company could enter into contractual obligations and represent a network of independent respondents. No responses were received to the RFI.

In order to be considered, qualified proponents were to be capable of operating based on a voucher system, have numerous stores/outlets throughout the GTA, their stores are to operate 9 hours per day and at least six days per week and are to provide various reports to the Commission. In addition to the cost per voucher for cleaning various types of garments, proponents were required to submit additional information including; a

list of stores/outlets, a list of locations offering special services (i.e. same day service, 24 hour service, minor alterations, etc.), normal turn-around time for cleaning, a description of the process used in the cleaning and pressing of garments, employee discount (if available) for TTC employees personal clothing, confirmation that they would be capable of using a “smart card/swipe card” in the future and agreement to performance requirements regarding lost or damaged clothing.

Both of the invited proponents (Dove Corporation and The Dry Cleaner) submitted proposals. Upon closing of the proposals, staff conducted an initial analysis which revealed that neither company stated any exceptions or qualifications. Both companies provided all of the submission requirements and their proposals are considered commercially acceptable. Dove offered the lower overall initial pricing.

Staff from M & P and Support Services then met with each of the proponents in order to negotiate with them and to clarify any issues in their proposals.

As a result of the negotiations, Dove agreed to waive their price increases for years two and three and to hold their year one price firm for both years two and three. Based on negotiations, one voucher will clean any one garment except for golf shirts where three vouchers will clean two golf shirts. Dove stated that the cost to launder golf shirts is higher as they have to be laundered and hand ironed unlike regular dress shirts which are laundered and machine pressed.

They agreed to minor repairs at no additional charge (e.g. small tears, replace buttons, etc.) and agreed to provide a 20% discount off the regular price for other repairs for TTC driver uniform items. In addition, they offered a 10% discount off of their regular price for alterations and cleaning for employees’ personal clothing.

Dove Corporation is an ISO 9001 registered dry cleaner and as such meets or exceeds strict regulations regarding environmental requirements in their facilities (e.g. waste water from washing machines is contained and disposed of via government approved hazardous waste control companies and containment tanks are installed on all machines to prevent any solvent or chemical spills, etc.). Their cleaning supplies are environmentally friendly and they recycle virtually 100% of all solvents used. Dove is the current contractor for this service and their performance has been satisfactory.

As a result of the negotiations, The Dry Cleaner agreed to reduce the value of the coupon for all items and one voucher will clean any one garment, including one golf shirt, however, The Dry Cleaner’s price per voucher is higher than Dove’s. They clarified that minor repairs are included in the price, but they did not offer a discount for major repairs. They also did not offer a discount for employees’ personal dry cleaning.

As a result of the negotiations, it was determined that Dove Corporation offered the lowest price and the best overall proposal to the Commission and they are recommended for award of a contract for the period of March 1, 2007 to December 31, 2009 (approximately three years) for dry cleaning of uniform garments.

The negotiated voucher price from Dove is approximately 25% higher than the current price which was set three years ago and remained firm for the past three years. The increase over the current voucher price is due to increased costs of energy (i.e. transportation, heating, lighting, running boilers for the laundering process, etc.), utilities, chemicals, insurance, wages and compliance with stricter environmental regulations over the last three years.

JUSTIFICATION

Under the terms of the Collective Agreement with Local 113, the Commission is required to provide

uniform cleaning services. As the existing contract expires on February 28, 2007, a new service contract is required to ensure the uninterrupted provision of the dry cleaning of uniform garments.

January 18, 2007

17-30

Attachment - Appendix 'A'

APPENDIX 'A'

**PROCUREMENT AUTHORIZATION FOR DRY CLEANING OF UNIFORM GARMENTS
FOR A THREE YEAR PERIOD**

PROPOSAL SUMMARY

COMPANY	TOTAL EVALUATED PRICE (APPROXIMATELY 3 YEARS)
DOVE CORPORATION	\$3,257,910.00
THE DRY CLEANER	\$3,475,104.00