



Exhibition Place

ACTION REQUIRED

Item No. 15

March 19, 2012

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for HVAC Air Filters**

Summary:

This report recommends the Board enter into non-exclusive agreement with Dafco Filtration Group (Dafco) commencing May 1, 2012, for the provision of various HVAC air filters to Exhibition Place.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Material Management Division (PMMD) for the non-exclusive supply and delivery of various HVAC air filters to Exhibition Place.

Recommendation:

It is recommended that the Board approve an agreement with Dafco Filtration Group for a period of one (1) year, with the option to extend for an additional three (3) separate one (1) year periods, on the terms and conditions outlined in this report and other such terms and conditions satisfactory to the CEO and the City Solicitor.

Financial Impact:

The projected annual expenditure for the purchase of HVAC filters is \$20,000 and is provided for in the 2012 Operating Budget, and will be provided for in the 2013, 2014, and 2015 Operating Budgets.

Decision History:

The Exhibition Place 2009-2012 Strategic Plan had an Infrastructure Goal to *sustain our public assets and rolling equipment* and as a Strategy to support this Goal *we will design and implement a preventative maintenance program*.

In March 2010, Dafco Filtration Group was awarded a one year contract with the option to extend for one additional one-year term, wherein the contract amount and the option year term was within the authority of the Chief Executive Officer, commencing May 1, 2010, for the supply and delivery of various HVAC air filters to Exhibition Place. The term of the option year is set to expire on April 30, 2012.

Issue Background:

On January 26, 2012, Exhibition Place through the services of PMMD issued a Request for Quotation to establish a new agreement commencing May 1, 2012.

The RFQ Price Schedule was structured in a manner that required bidders to submit firm unit prices based on projected annual quantities of the twenty-seven various types of filters currently in use. In addition, bidders were required to state their maximum percentage increases for each optional year.

The RFQ closed on February 13, 2012 with eight quotations received, two of which were subsequently rejected by PMMD as being non-compliant. The results were as follows:

Bidder	Annual Cost May 1, 2012 to April 30, 2013	Maximum Percentage Increase Optional Year 1	Maximum Percentage Increase Optional Year 2	Maximum Percentage Increase Optional Year 3
Dafco Filtration Group	\$19,755.07	2%	2%	2%
AAF Canada Inc.	\$19,889.89	1%	2%	2%
Taff-Guard Filtration	\$22,501.56	3%	3%	3%
Noble (4361814 Canada Inc.)	\$26,280.82	7%	7%	7%
Climatisation Morrison Inc.	\$37,291.55	5%	5%	7%
Camfil Farr (Canada Inc.)	\$23,745.38	0%	2%	2%

The Dafco quotation is the overall lowest acceptable bid received in compliance with all requirements.

A Canadian company head quartered in Mississauga, Ontario, Dafco Filtration Group was formed in 2005 as a result of merging two leading Canadian air filter companies. References include Brookfield Properties, Toronto Western Hospital and the Toronto District School Board. Dafco Filtration Group is a member of *Canadian Green Building Council* and is active in the ongoing development of green products.

The City of Toronto Fair Wage and Labour Trades Office confirms that Dafco is in compliance with the Fair Wage and Labour Trades requirements.

Staff are recommending the approval of an agreement with Dafco on the following terms and conditions:

- (a) Term: One year commencing May 1, 2012, on an as required non-exclusive basis, with the option to extend for three additional one-year periods subject to satisfactory performance review, PMMD market analysis and budget availability.

- (b) Pricing: Pricing is to be fixed during the term of the Agreement in accordance with the terms of the RFQ
- (c) Assignment: The agreement shall not be assigned by Dafco without written consent of the Board.
- (d) Indemnity/Insurance: Dafco shall provide proof of insurance in a form and amount satisfactory to the Board and containing provisions including the Board and the City of Toronto as additional insured with a cross liability/severability of interest clause of standard wording.
- (e) Union Obligations: Dafco shall comply with all trade union/association agreements affecting work done on the grounds.
- (f) Other Commercial Terms: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the CEO.

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Submitted by:

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