



Exhibition Place

Item No. 18

June 9, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **IT and Telecom Parts Supply Agreement 2011 to 2015**

Summary:

This report recommends the Board enter into an agreement with Tiger Direct Canada Inc. (Tiger), for a one year period, with the option to renew for an additional three separate one year agreement, commencing from date of award to May 31, 2012, for the non-exclusive supply and delivery of various hardware products and materials to Exhibition Place.

A Request for Quotation (RFQ) process was issued through the City of Toronto, Finance Department, Purchasing and Materials Management Division (PMMD) for the supply and delivery of various IT and Telecom parts and supplies to Exhibition Place.

Recommendation:

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

Financial Impact:

The projected annual expenditure for hardware products and materials is \$40,000.00 and is provided for in the 2011 / 2012 Operating and Capital Budgets, and will be provided for in the 2012, 2013 and 2014 Operating Budgets

Decision History:

A staff review of procurement trends identified that for 2010 over thirty-five separate purchase order were issued to various suppliers for IT and Telecom parts and supplies. It was decided that a global agreement would be a more efficient and effective approach in addressing these specific requirements.

Issue Background:

A supply agreement is required for IT and Telecom parts and supplies given the volume of purchases in any one year.

Comments:

On May 18, 2011, Exhibition Place through the services of City of Toronto issued a Request for Quotation to establish a new agreement for the provision of various hardware products and

materials commencing upon award to May 31, 2012, with the option to extend for an additional three separate one year periods

The RFQ listed seventy-one common IT and Telecom parts and supply items such as cables, power supplies, monitors, network switches, routers, computer parts and telephone products required by the Boards IT and Telecom section maintenance, repair and operational needs. The RFQ Price Schedule was structured in a manner that required bidders to submit firm unit prices based on projected annual quantities.

For comparison purposes, the unit prices quoted were applied to these requirements resulting in Total Lump Sum Prices. In addition, bidders were required to state their percentage increases for each optional year and percentage discounts offered from the bidder's catalogue list prices for other products and materials not included in the price schedule.

The RFQ closed on June 3, 2011 with three quotations received. The Lump Sum prices excluding HST were as follows:

Bidder	First Year Bid	Option Year Increases	Discount from Catalogue
Tiger Direct Canada Inc.	\$37,154.94	5%	5%
Compugen Inc.	\$43,999.02	10%	20%
Alvaro Enterprise Inc.	\$48,325.66	2%	1%

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

The City of Toronto Fair Wage and Labour Trades Office confirms that Tiger is in compliance with the Fair Wage and Labour Trades requirements for this work. The resulting agreement is not an exclusive agreement and the Board retains the right to obtain competitive prices.

The substantial terms of the agreement will be as follows:

- (a) Term: One year commencing upon award to May 31, 2012 with the option to extend for an additional three one-year periods subject to satisfactory performance review and budget availability.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Assignment: The agreement shall not be assigned by Tiger without written consent of the Board.
- (d) Indemnity/Insurance: Tiger 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: Tiger shall comply with all agreements in force between the Board and any union or association with respect to Exhibition Place.
- (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.

Tiger Direct Canada Inc. is a recognised nationwide retailer of computer and electronic products, parts and supplies. References include Peripheral Express, Samtack and Berminghammer Inc.

Contact

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Submitted by:

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