



Exhibition Place

Item No. 19

June 8, 2011

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **Hardware Products & Materials Supply Agreement 2011 to 2015**

Summary:

This report recommends the Board enter into a one year agreement with 4536631 Canada Inc. / RONA Ontario (Rona), commencing November 1, 2011, with the option to extend for an additional three separate one year periods, 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 hardware products and materials to Exhibition Place.

Recommendation:

It is recommended that the Board approve an agreement with Rona 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 \$16,800 and is provided for in the 2011 / 2012 Operating and Capital Budgets, and will be provided in the 2012, 2013 and 2014 Operating Budgets.

Decision History:

In October 2009 following an RFQ process, a corporate PO was issued by the PMMD on behalf of Exhibition Place to Rona for the supply and delivery of various hardware products and materials, for a term of one year commencing November 1, 2009 with the option to extend for one additional year subject to satisfactory vendor performance and budget availability. The term of this contract is set to expire October 31, 2011.

Issue Background:

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 November 1, 2011.

The RFQ listed a large number of common hardware products and building materials used for 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. The RFQ

also required that bidders have a store for immediate/emergent pick-up of products within a set geographical area to Exhibition Place

Comments:

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 various manufacturer's brand name catalogue list prices for other hardware products and materials not included in the price schedule.

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

Bidder	First Year Bid	Option Year Increases	Payment Terms
4536631 Canada Inc. / RONA Ontario	\$16,822.17	2.5%	Net 30
Province Electric Supply Ltd.	\$17,806.99	2.5%	Net 30

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

Staff report favourably on Rona's past performance at Exhibition Place. The City of Toronto Fair Wage and Labour Trades Office confirms that Rona 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 November 1, 2011 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 Rona without written consent of the Board.
- (d) Indemnity/Insurance: Rona 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: Rona 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.

Contact

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