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EXHIBITION PLACE

April 17, 2008

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young
Chief Executive Officer

Subject: **Agreement for Janitorial Products**

Summary:

This report recommends the Board enter into a three-year agreement with Morgan Scott Partnership (Morgan), commencing May 1, 2008 for the provision of various janitorial supplies to Exhibition Place.

Exhibition Place Cleaning Services provides all janitorial services for Exhibition Place buildings and clients. Cleaning supplies are acquired on a "just in time" basis from one single supplier. The current supplier, at its own expense also provides soap, tissue and towel dispensers along with any training required for use of its supplies and chemicals. The agreement with the existing service provider expired on April 30, 2008 and a Request for Quotation (RFQ) was issued through the City of Toronto Finance Department Purchasing and Materials Management Division for the provision of janitorial products to the Board.

Morgan Scott Partnership is a subsidiary of Bunzl Distribution, a global distributor of packaging, sanitary maintenance and food service disposable products with annual sales over \$5 billion. With \$60 million in annual sales Morgan Scott Partnership has distribution centers across Canada including one in Mississauga. References include the City of Toronto, Via Rail, the Toronto Zoo, Toronto East General Hospital and the Dufferin-Peel R.C.S.S.B.

Recommendation:

It is recommended that the Board approve of entering an agreement with Morgan for the supply of janitorial supplies for a period of three (3) years on the same 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:

Approval of the agreement between the Board and Morgan will result in a projected annual expenditure of \$432,900 of which \$292,900 is recoverable from clients of the Board. The

remaining \$140,000 is provided for in the 2008 Operating Budget which includes the needs of the Canadian National Exhibition.

Decision History:

In April 2005, a RFQ was awarded by the Board to G. T. French Paper Ltd. for a term of three years commencing May 1, 2005 and expiring April 30, 2008.

Issue Background:

The exiting agreement with G. T. French Paper Ltd. expires on April 30, 2008. On February 19, 2008, Exhibition Place through the services of City of Toronto issued a Request for Quotation to establish a new agreement for the provision of various janitorial supplies commencing May 1, 2008, which closed on March 5, 2008 with 7 bidders.

Comments:

Seven bids were received by Exhibition Place in response to the February 19th RFQ. Bidders included Mister Chemical Ltd., Windsor Factory Supply Ltd., Morgan Scott Partnership, G. T. French Ltd., Swish Maintenance Ltd., En Kay Industrial Supplies Inc. and Adell Packaging & Supplies.

For comparative and evaluation purposes the RFQ listed sixty-six specific janitorial products along with projected annual usage and required bidders to submit firm unit pricing for each year of the three-year term. Bidders were also asked to provide percentage discounts off published list prices for related products.

For evaluation purposes of the various chemicals offered and the differences between chemical dilution systems, bidders were required to submit unit pricing in "ready to use" diluted form. Towel and tissue evaluation was based on linear measure. For comparative purposes two items were removed from the evaluation matrix.

Based on the unit pricing received and financial analysis, the three-year evaluated bids inclusive of PST and discounts, but excluding GST were as follows:

Morgan Scott Partnership	\$750,606.24
Mister Chemical Ltd.	\$754,785.48
Windsor factory Supply Ltd.	\$790,967.34
G. T. French Paper Ltd.	\$829,417.63
Swish Maintenance Ltd.	\$1,177,074.16
Adell Packaging & Supplies	\$764,895.01 (Partial Bid only)
En Kay Industrial Supplies Inc.	\$579,062.52 (Partial Bid only)

Bidders were required to submit details on the types of dispensers these fixtures offered - all to be supplied, installed and maintained at the bidder's expense. At a minimum, bidders had to offer "hands free" towel, multi-roll tissue and cartridge soap dispensing fixtures equal to those currently in use.

Product specifications also had to take into account environmental considerations and in addition, the Board expected to maintain at a minimum the efficiencies derived from the use of bulk paper dispensing systems, concentrated chemical dilution systems and "just in time" delivery service. It was noted that notwithstanding the specifications contained in the product listing, alternate products offered would receive consideration if they were considered suitable. Bidders were also expected to submit details on training programs, supply guarantees, delivery and references.

After reviewing the bids received, Exhibition Place staff interviewed the two lowest bidders and evaluated some of the products offered. The products offered are compliant with requirements of the RFQ and the chemical dilution systems are equal to those currently in use both from an ease of use and employee safety perspective. The towel and tissue dispensers are acceptable and are suitable for the intended application. The training program presented was satisfactory and will be of benefit with respect to worker safety and enhancement of cleaning techniques. The products offered by Morgan include tissue and towel manufactured by the SCA Tissue Company, having the distinction of being ranked as being the most "Environmentally Sound" paper manufacturer in the world and the second most Environmentally Sound Company in the world.

The bid from Morgan was the overall lowest received and staff are recommending approval of Morgan on the following terms and conditions:

- (a) Term: Three (3) years, commencing May 1, 2008 and expiring on April 30, 2011.
- (b) Pricing: Pricing be fixed during the term of the Agreement.
- (c) Equipment: Morgan will provide, install and maintain bulk paper towel and toilet tissue dispensers, soap dispensers and concentrated chemical dilution proportioning systems, during the term of the agreement, at no cost to the Board. These installations will be removed at the end of the term
- (d) Assignment: The agreement shall not be assigned by Morgan without written consent of the Board.
- (e) Insurance/Indemnity: Morgan 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. Insurance shall be primary before any insurance held by the additional insured and the Board shall be entitled to thirty days notice of any intention to cancel or not to renew the policy. Morgan shall indemnify the Board and the City of Toronto with respect to any and all liability arising from any damage or injury as a result of the negligent acts or omissions of Morgan, or its employees or any other person for whom it is in law responsible, in the supply and quality of the equipment.
- (i) Union Obligations: Morgan shall comply with all trade union/association agreements affecting work done on the grounds.
- (j) Training: Morgan shall provide training on product uses to Board staff along with enhanced training during orientation meetings for summer staff prior to the annual Canadian National Exhibition.
- (k) 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:

Ron Mills

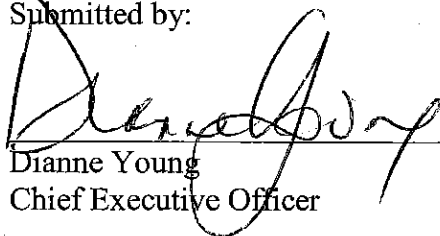
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Submitted by:

A handwritten signature in black ink, appearing to read "Dianne Young", is written over a horizontal line.

Dianne Young

Chief Executive Officer