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February 15, 2002

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: Request for Proposals for Janitorial Supplies

Recommendation:

It is recommended that the Board enter into agreement with Mister Chemical Ltd. ("Mister Chemical") for the provision of janitorial supplies to Exhibition Place for a period of three years in accordance with the terms and conditions set out in this report and such other terms and conditions required by the General Manager & CEO and the City Solicitor.

Background:

At its meeting of March 31, 1999, the Board approved of entering a three-year agreement with Mister Chemical Ltd. which agreement expires on March 31, 2002.

Discussion:

Since March 31, 1999, the Board has had an exclusive agreement for the provision of Janitorial Supplies. This agreement not only brought with it efficiencies, upgraded products, new dispensers and a robust training program, but also discounts and sponsorship revenues. Accordingly, with the pending expiration of this three agreement, on December 11, 2001 the City of Toronto issued a Request for Proposal for the Provision of Janitorial Supplies to Exhibition Place including The National Trade Centre to seventy-seven (77) suppliers listed with the City of Toronto's Purchasing and Materials Management Division and also advertised on the Internet. Four proposals were received from the following proponents: Jestlyn Products Inc.; Robinson facility Supplies Inc.; Mister Chemical Ltd.; and Bruce Edmeades Sales Ltd.

The RFP was structured, for comparative purposes, to allow proponents to offer a "supply only" submission along with a "sponsorship based" submission for a list of specific products (or approved equivalents) coupled with benchmark expectations based on current practices. As a

result of a financial benefit analysis, evaluation of products offered and in accordance with RFP selection criteria, staff are recommending Mister Chemical as the successful proponent for a "supply only" agreement. Staff are not recommending a "sponsorship supply" agreement at this time as the financial analysis of the responses for such a dual agreement shows that there are overall higher product costs to the Board, which in essence would mean that the Board would be funding its own sponsorship fee.

Mister Chemical has submitted the proposal with the overall lowest in product costs and has met or exceeded the benchmark requirements set forth in the RFP. The products and dispensing systems have been evaluated and meet the approval of the staff of Exhibition Place Cleaning Services, the NTC and the Occupational Health and Safety Coordinator.

Accordingly, staff are recommending the Board enter an agreement with Mister Chemical on the following terms and conditions:

1. Term: The term of the agreement is 3 years commencing April 1, 2002.
2. Services: Mister Chemical will supply the janitorial supplies listed in the RFP at the prices quoted and increases in the product prices will be allowed in the 2nd and 3rd year, effective on the anniversary dates of the agreement, and will reflect the percentage change in the Industrial Products Price Index (not seasonally adjusted) for the Ontario region, published by Statistics Canada, during the 12-month period ending on January 1 of the year of the increase.
3. Discounts: Mister Chemical will discount single bulk purchases of paper towel and toilet tissue in excess of \$40,000 (net of GST + PST) by 2% in any year of the Term.
4. Equipment: Mister Chemical will continue to provide, install and maintain bulk paper towel and toilet tissue dispensers, soap dispensers and concentrated chemical dilution systems, during the Term, at no cost to the Board. These installations will be removed at the end of the Term.
5. Provision of Supplies: Mister Chemical will maintain inventories of strategic supplies identified in the RFP at no less than 20% of the annual consumption. If Mister Chemical fails to deliver these quantities within 24 hours of an order a credit equal to 1% per day of the undelivered balance will be applied to the invoice for the relevant backorder.
6. Indemnity/Insurance: Comprehensive public liability and property damage insurance covering all operations and liability assumed under the agreement in a form and amount satisfactory to the Board, such policy to include the Board, the City of Toronto and O&Y/SMG Canada, their respective directors, officers and employees as additional insureds. Me Chemical shall indemnify the Board, City and O&Y-SMG Canada with respect to any loss or claims due to the negligence or conduct of Mister Chemical in the exercise of its rights and obligations under the Agreement.

7. Other: Any other terms and conditions as required by the General Manager & CEO of Exhibition Place and the City Solicitor.

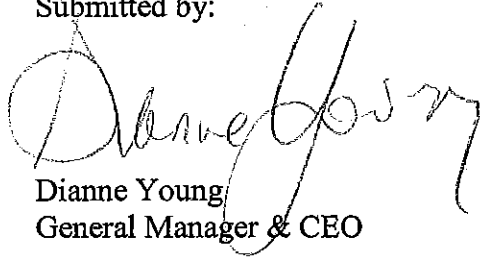
Conclusions:

This report recommends entering into a Janitorial Supply agreement between the Board and Mister Chemical under the terms identified and such other terms and conditions satisfactory to the City Solicitor.

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Submitted by:



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