



## STAFF REPORT ACTION REQUIRED

### Contract Awards – November 17, 2010 - Composite Report

<b>Date:</b>	November 10, 2010
<b>To:</b>	Bid Committee
<b>From:</b>	Director, Purchasing and Materials Management
<b>Reference</b>	Various Calls

#### SUMMARY

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The purpose of this report is to advise on the results of the competitive procurement calls issued by the Purchasing and Materials Management Division and to recommend contract awards as outlined in this report.

#### RECOMMENDATIONS

The Director of Purchasing and Materials Management recommends that the Bid Committee grant authority to award the following contracts in accordance with the Contract Details set out in the appendices of this report:

1	Call Document	Request for Quotation 3707-10-0124
	Description	For the non-exclusive supply of all labour, materials and equipment necessary to provide Snow/Ice Removal and Grounds Maintenance Services at various Child Care Centres
	Recommended Bidder	Arcado Property Maintenance Ltd
2	Call Document	Request for Proposal (RFP) No. 9144-10-7287
	Description	For the professional services for SAP Landscape Upgrade Project.
	Recommended Proponent	IBM Canada Ltd.
3	Call Document	Request for Proposal 3401-10-3096
	Description	For the non-exclusive supply and delivery of an Optical Character Recognition Payment Processing Hardware and Software Solution
	Recommended Proponent	Creditron, Inc.

4	Call Document	Tender Call No. 311-2010, Contract No. 10CW-100TS
	Description	Installation and Maintenance of Traffic Signs and supply of associated materials as required on arterial roads and expressways
	Recommended Bidder	Guild Electric Limited
5	Call Document	RFQ No. 3405-10-3163
	Description	The non-exclusive supply, delivery and warranty, including Support and Maintenance, of various Hewlett Packard (HP) Enterprise Systems Management solution products
	Recommended Bidder	Pegasie Technologies Inc.
6	Call Document	Request for Quotation No. 4305-10-5073
	Description	For the Maintenance, Repair and Replacement Services on Heating, Ventilation and Air Conditioning Systems for Various Child Care Centres
	Recommended Bidder	Air Heat Mechanical Services Inc.

## COMMENTS

### (1) REQUIREMENTS

For each of the recommended contract awards, the following requirements have been met:

- (a) The firm recommended for award is the lowest bidder meeting specifications or to the highest scoring proponent based on the evaluation criteria included in the call and meeting the requirements of the call;
- (b) the Deputy City Manager and Chief Financial Officer agrees with the Financial Impact information;
- (c) the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;
- (d) the call document was advertised on the City's internet website and bids or proposals were opened publicly; and
- (e) the Fair Wage Office confirms the recommended firm understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Additional details and information for the above calls are on the file in the Purchasing and Materials Management Division.

**SIGNATURE – CHIEF PURCHASING OFFICIAL**

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Lou Pagano, P. Eng.  
Director  
Purchasing and Materials Management Division

**(2) APPENDICES – Contract Details**

(2) CONTRACT DETAILS  
APPENDIX # 1

Date: November 9, 2010

Call No:

Request for Quotation 3707-10-0124

Description:

For the non-exclusive supply of all labour, materials and equipment necessary to provide Snow/Ice Removal and Grounds Maintenance Services at various Child Care Centres for the period from the date of award to October 31<sup>st</sup>, 2011, with the option to renew the contract for four (4) additional separate one (1) year periods at the sole discretion of the City and subject to budget approval. Should the option(s) to renew be exercised then the General Manager of Children's Services will request the Director of Purchasing and Materials Management to process the renewals under the same terms and conditions

Call Dates:

Issued September 27, 2010, Closed October 14, 2010

Ward No:

All

Recommended Bidder:

Arcado Property Maintenance Ltd.

Contract Award Value:

- **Date of Award to October 31, 2011**  
\$175,423.52 net of all applicable taxes and charges from the date of award to October 31, 2011; \$198,228.57 including HST and all charges; **\$178,510.97 net of HST Recoveries.**
- Option Year 1- November 1, 2011 to October 31, 2012: \$185,908.24 net of all applicable taxes and charges; \$210,076.32 including HST charges; \$189,180.23 net of HST Recoveries.
- Option Year 2- November 1, 2012 to October 31, 2013: \$191,485.49 net of all applicable taxes and charges; \$216,378.61 including HST charges; \$194,855.64 net of HST Recoveries.
- Option Year 3- November 1, 2013 to October 31, 2014: \$197,230.06 net of all applicable taxes and charges; \$222,869.96 including HST charges; \$200,701.31 net of HST Recoveries.
- Option Year 4- November 1, 2014 to October 31, 2015: \$203,146.96 net of all applicable taxes and charges; \$229,556.06 including HST charges; \$206,722.34 net of HST Recoveries.

**The total potential contract award including options years is \$969,970.48 net of HST Recoveries** (\$953,194.26 net of all applicable taxes and charges; \$1,077,109.52, including all applicable taxes and charges).

## APPENDIX # 1

### Number of Bids:

Five (5)

### Financial Impact:

The total potential contract award identified in this report is \$1,077,109.52 including HST and charges. The total potential cost to the City is \$969,970.48 net of HST Recoveries. Funding in the amount of \$9,029.49 net of HST Recoveries is available in the 2010 Children's Services Operating Budget in various cost centres under cost element 4413. The balance of the contract in the amount of \$169,481.48 will be requested in the 2011 Children's Services Operating Budget submission under cost elements 4407 and 4413. Should the option(s) be exercised, then additional funds will be requested in the 2011-2015 Children's Services Operating Budget submissions under cost elements 4407 and 4413. Additional funding details are provided below:

December 1-31, 2010 (net of HST Recoveries)	Jan. 1 - October 31, 2011 (net of HST Recoveries)	Option Yr. 1 Nov. 1, 2011 to Oct. 31, 2012 (net of HST Recoveries)	Option Yr. 2 Nov. 1, 2012 to Oct. 31, 2013 (net of HST Recoveries)	Option Yr. 3 Nov. 1, 2013 to Oct. 31, 2014 (net of HST Recoveries)	Option Yr. 4 Nov. 1, 2014 to Oct. 31, 2015 (net of HST Recoveries)
\$9,029.49	\$ 169,481.48	\$189,180.23	\$194,855.64	\$200,701.31	\$206,722.34

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(2) CONTRACT DETAILS  
APPENDIX # 2

November 8, 2010

Call No:

Request for Proposal (RFP) No. 9144-10-7287

Description:

For the professional services for SAP Landscape Upgrade Project.

Call Dates:

Issued September 24, 2010, Closed October 14, 2010

Ward No:

All

Recommended Proponent:

IBM Canada Ltd.

Contract Award Value:

**Date of award to August 31, 2012**

\$3,278,540.00 net of all applicable taxes and charges

\$3,704,750.20 including HST and charges

**\$3,336,242.30 net of HST Recoveries**

Number of Proposals:

Two (2) Proposals

Both proposals met the technical thresholds of 60% for each evaluated category and 70% overall and had their cost evaluated.

Financial Impact:

The total contract award identified in this reports is \$3,704,750.20 including HST and charges. The total cost to the City is \$3,336,242.30 net of HST Recoveries. Funding is available in the 2010 Information & Technology Capital Budget and 2011-2019 Capital Plan in CIT045-02-09 (SAP Landscape Upgrade). Estimated cash flows (net of HST Recoveries) are as follows:

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>TOTAL</b>
\$0.00	\$2,265,308.52	\$1,070,933.78	\$3,336,242.30

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(2) CONTRACT DETAILS  
APPENDIX # 3

Date: November 10, 2010

Call No:

Request for Proposal 3401-10-3096

Description:

For the non-exclusive supply and delivery of an Optical Character Recognition Payment Processing Hardware and Software Solution for the City of Toronto Revenue Services Division for the period from December 1, 2010 to November 30, 2011 with the option to renew the contract for four (4) additional separate one (1) year periods for off-warranty support and maintenance at the sole discretion of the City and subject to budget approval. Should the options be exercised, then the Chief Information Officer, Information & Technology will instruct the Chief Purchasing Official to process the necessary contract renewals under the same terms and conditions.

Call Dates:

Issued July 21, 2010, Closed August 18, 2010

Ward No:

All

Recommended Proponent:

Creditron, Inc.

Contract Award Values:

**From December 1, 2010 to November 30, 2011**

\$269,826.06 net of all applicable taxes and charges

\$304,903.45 inclusive of HST and charges

**\$274,628.96 net of HST Recoveries**

Option Year 1: December 1, 2011 to November 30, 2012

\$60,842.60 net of all applicable taxes and charges

\$68,752.14 inclusive of HST and charges

\$61,925.60 net of HST recoveries

Option Year 2: December 1, 2012 to November 30, 2013

\$63,778.02 net of all applicable taxes and charges

\$72,069.16 inclusive of HST and charges

\$64,913.27 net of HST recoveries

Option Year 3: December 1, 2013 to November 30, 2014

\$66,860.39 net of all applicable taxes and charges

\$75,552.24 inclusive of HST and charges

\$68,050.50 net of HST recoveries

Option Year 4: December 1, 2014 to November 30, 2015

\$69,881.97 net of all applicable taxes and charges

\$78,966.63 inclusive of HST and charges

\$71,125.87 net of HST recoveries

### APPENDIX # 3

The total potential contract award including all optional years identified in this report is \$531,189.04 net of all applicable taxes and charges. The total potential contract award including option years is \$600,243.62 inclusive of HST and all charges. **The potential cost to the City including all option years is \$540,644.20 net of HST recoveries.**

Number of Proposals:

One (1)

Financial Impact:

The total potential contract award identified in this report including option years is \$600,243.62 inclusive of all applicable taxes and charges. The total potential contract value including all option years is \$540,644.20 net of HST recoveries. Funding for the total cost associated with the acquisition of the recommended hardware, software, training and one (1) year warranty is included in the 2010 Financial Services Capital Budget in WBS Element CFS030-01. Should the option years be exercised, then additional funds will be requested in the 2011 - 2015 Financial Services Division Operating Budget submissions. Additional funding details are provided below.

WBS Element	December 1, 2010 to December 31, 2010 (net of HST Recoveries)	January 1, 2011 to November 30, 2011 (net of HST Recoveries)	December 1, 2011 to November 30, 2012 (net of HST Recoveries)	December 1, 2012 to November 30, 2013 (net of HST Recoveries)	December 1, 2013 to November 30, 2014 (net of HST Recoveries)	December 1, 2014 to November 30, 2015 (net of HST Recoveries)	Total (net of HST Recoveries)
CFS030-01	\$274,628.96						\$274,628.96
FS0161 (GL4406)		\$0	\$61,925.60	\$64,913.27	\$68,050.50	\$71,125.87	\$266,015.24
<b>GRAND TOTAL (NET OF HST RECOVERIES)</b>							<b>\$540,644.20</b>

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(2) CONTRACT DETAILS  
APPENDIX # 4

Date: October 29, 2010

Call No:

Tender Call No. 311-2010, Contract No. 10CW-100TS

Description:

Installation and Maintenance of Traffic Signs and supply of associated materials as required on arterial roads and expressways within the City of Toronto for the period from January 1, 2011 to December 31, 2012, with an option to renew the contact until December 31, 2013 at the sole discretion of the City and subject to budget approval. Should the option be exercised, then the General Manager of Transportation Services will request the Director of Purchasing and Materials Management Division to process the renewal under the same terms and conditions.

Call Dates:

Issued October 7, 2010, Closed October 22, 2010.

Ward No:

All

Recommended Bidder:

Guild Electric Limited

Contract Award Value:

- \$3,656,892.77 net of all applicable taxes and charges **from January 1, 2011 to December 31, 2012**; \$4,132,288.83 including HST and charges; **\$3,721,254.08 net of HST Recoveries** (corrected price due to mathematical errors).
- Option Year – January 1, 2013 to December 31, 2013: \$1,828,446.38 net of all applicable taxes and charges; \$2,066,144.41 including HST and charges; \$1,860,627.04 net of HST Recoveries

The total potential contract award, including the option year, identified in this report is \$6,198,433.24 including HST and charges (\$5,485,339.15 net of all taxes and charges). **The total potential cost to the City including the option year is \$5,581,881.12 net of HST Recoveries.**

Number of Bids:

One (1)

Financial Impact:

The total potential contract award, including the option year, identified in this report is \$6,198,433.24 including HST and charges. The total potential cost to the City is \$5,581,881.12 net of HST Recoveries. Funding is available in the 2010 Transportation

#### APPENDIX # 4

Services Capital Budget and the 2011-2019 Capital Plan. Operating funds will be requested in the 2011 and 2012 Transportation Services Operating Budget submissions and funds have been included in the 2011 Interim Estimates. Should the option year be exercised, then appropriate funds will be requested in the 2013 Transportation Services Operating Budget submission. Funding details are provided below:

<b>Cost Centre</b>	<b>Description</b>	<b>2011</b>	<b>2012</b>	<b>2013 (option year)</b>	<b>Totals</b>
TP0397	Traffic and Safety Services – Sign Installation and Maintenance	\$1,516,735.00	\$1,516,735.00	\$1,516,735.00	\$4,550,205.00
CTP710-27	Signs & Markings Asset Management	\$183,892.04	\$183,892.04	\$183,892.04	\$551,676.12
CTP311-02	Major Road Reconstruction	\$160,000.00	\$160,000.00	\$160,000.00	\$480,000.00
<b>Totals</b>		<b>\$1,860,627.04</b>	<b>\$1,860,627.04</b>	<b>\$1,860,627.04</b>	<b>\$5,581,881.12</b>

The engineering estimate for this project is \$5,335,356.81 (for 3 years) net of all applicable taxes and charges.

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(2) CONTRACT DETAILS  
APPENDIX # 5

Date: November 10, 2010

Call No:  
RFQ No. 3405-10-3163

Description:  
The non-exclusive supply, delivery and warranty, including Support and Maintenance, of various Hewlett Packard (HP) Enterprise Systems Management solution products for the period from the date of award to November 21, 2013.

Call Dates:  
Issued on September 8, 2010; Closed on September 24, 2010

Ward No:  
All

Recommended Bidder/Proponent:  
Pegasie Technologies Inc.

Contract Award Value:  
From November 22, 2010 to November 21, 2013  
\$2,450,000.00, net of all applicable taxes and charges  
\$2,768,500.00 inclusive of HST and charges  
**\$2,493,120.00 net of HST Recoveries**

Number of Bids:  
One (1), One (1) non-compliant

Financial Impact:

The total potential contract award identified in this report is \$2,768,500.00 inclusive of HST and charges. **The total potential cost to the City is \$2,493,120.00 net of HST Recoveries.** Funding is available in the 2010 Information & Technology Division Capital Budget and 2011-2019 Capital Plan as per the details provided in the table to follow:

Account	From November 22, 2010 to December 31, 2010 (net of HST Recoveries)	January 1, 2011 to December 31, 2011 (net of HST Recoveries)	January 1, 2012 to December 31, 2012 (net of HST Recoveries)	January 1, 2013 to November 21, 2013 (net of HST Recoveries)	Total (net of HST Recoveries)
CIT046-02-02	\$162,816.00	-	-	-	\$162,816.00
CIT047-01-04	\$244,224.00	\$61,056.00	\$305,280.00	-	\$610,560.00
CIT047-03-04	\$498,624.00	\$407,040.00	\$305,280.00	\$203,520.00	\$1,414,464.00
CIT046-02-01	\$305,280.00	-	-	-	\$305,280.00
<b>Total (net of HST Recoveries)</b>	\$1,210,944.00	\$468,096.00	\$610,560.00	\$203,520.00	\$2,493,120.00

APPENDIX # 5

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(2) CONTRACT DETAILS  
APPENDIX # 6

November 10, 2010

Call No:

Request for Quotation No. 4305-10-5073

Description:

For the Maintenance, Repair and Replacement Services on Heating, Ventilation and Air Conditioning Systems for Various Child Care Centres, as and when required for the period from the date of award to October 31, 2011, with the option to renew the contract for four (4) additional one (1) year periods, at the sole discretion of the City and subject to budget approval. Should the option(s) to renew be exercised, then the General Manager of Children's Services will request the Director of Purchasing and Materials Management Division to process the renewals under the same terms and conditions.

Call Dates:

Issued August 23, 2010, Closed September 13, 2010

Ward No:

All Wards

Recommended Bidder:

Air Heat Mechanical Services Inc.

Contract Award Value:

Air Heat Mechanical Services Inc.

- \$163,494.77 net of all applicable taxes and charges from **date of award to October 31, 2011**; \$184,749.09 including HST and charges; **\$166,372.28 net of HST Recoveries**
- Option Year 1- November 1, 2011 to October 31, 2012: \$163,494.77 net of all applicable taxes and charges; \$184,749.09 including HST and charges; \$166,372.28 net of HST Recoveries
- Option Year 2- November 1, 2012 to October 31, 2013: \$163,494.77 net of all applicable taxes and charges; \$184,749.09 including HST and charges; \$166,372.28 net of HST Recoveries
- Option Year 3- November 1, 2013 to October 31, 2014: \$163,494.77 net of all applicable taxes and charges; \$184,749.09 including HST and charges; \$166,372.28 net of HST Recoveries

## APPENDIX # 6

- Option Year 4- November 1, 2014 to October 31, 2015: \$163,494.77 net of all applicable taxes and charges; \$184,749.09 including HST and charges; \$166,372.28 net of HST Recoveries

**The total potential contract award including all optional years identified in this report is \$817,473.85 net of all applicable taxes and charges; \$923,745.45 including HST and charges; \$831,861.40 net of HST Recoveries.**

### Number of Bids:

Six (6) Bids

### Financial Impact:

The total potential contract award including all optional years identified in this report is \$923,745.45 including HST and charges. The total potential cost to the City is \$831,861.40 net of HST Recoveries. Funding is available in the Children's Services 2010 Operating Budget in cost centre E0546M within cost element 4407. Funding for the 2011 portion of the contract is included in the 2011 Operating Budget submission in cost centre E0546M within cost element 4411. Should the options to renew the contract be exercised, then additional funds will be requested in the 2011-2015 Operating Budget submissions as outlined in the table below.

Year	Total
Date of award to October 31, 2011	\$166,372.28
Option Year 1: November 1, 2011 to October 31, 2012	\$166,372.28
Option Year 2: November 1, 2012 to October 31, 2013	\$166,372.28
Option Year 3: November 1, 2013 to October 31, 2014	\$166,372.28
Option Year 4: November 1, 2014 to October 31, 2015	\$166,372.28
Total (net of HST recoveries)	\$831,861.40

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