



Purchasing & Materials Management
Giuliana Carbone, Treasurer

City Hall
18th Floor, West
100 Queen Street West
Toronto, Ontario M5H 2N2

Michael Pacholok
Director
Tel: 416-392-7312
Fax: 416 392-1262
mpachol@toronto.ca
www.toronto.ca

May 25, 2015

SENT VIA EMAIL 2 pages

Mr. Marco Drudi
Drudi Alexious Kuchar LLP
7050 Weston Road, Suite 610
Vaughan, ON
L4L 8G7

RE: Request for Quotations (RFQs) 6032-15-0091 to 6032-15-0105

For Snow Clearing, Sanding and Salting of Sidewalks, Bus Stops, Pedestrian Crosswalks and Signalized Intersections for the City of Toronto

Dear Mr.Drudi,

Thank you for your responses dated May 20 and May 22, 2015. This is to confirm the City's decision dated May 15, 2015 to find your client's quotations non-compliant.

Non-Compliant References:

While Bevcon may have performed well on one past contract, it is only one contract, even if the City issued multiple POs. The POs are just a document to track proper funds, but the actual award was for one contract. The RFQ clearly indicated that a minimum of 2 references was required. Since your client only provided one reference, I have to declare them non-compliant for failing to meet this mandatory requirement.

Non-Disclosure of Potential Conflict/Unfair Advantage:

With respect to the issue of conflict of interest, it is not only to protect the City from the situation of bidders working with unscrupulous city employees, it is designed to help protect the process. It appears that your client is assisting what would otherwise be a competitor if not for the related nature of common ownership. We do not have to prove that there is any actual collusion but we have reason to suspect that there is a potential conflict of interest or unfairness in two closely related companies bidding on the same work and one of those companies relying on the reference of the other company in order to meet the mandatory requirements. In addition, we have no evidence at the City in discussing with the managers in Transportation and with the Fair Wage office that the City gave approval to your client to be able to use subcontractors. This was a requirement of the contracts to which Aquagran claims to be a subcontractor.



HOST CITY



As well your client indicated to the City when they bid and won those contracts that they would use own forces. At this point they did not either follow the contract provisions or did not use Aquagran as a subcontractor. Regardless there is a perceived conflict of interest and we need to protect the process.

Finally your reference to the number of bidders does not negate the need to ensure fairness for the entire process. Other bidders followed the rules and would expect the City to follow through on declaring a bidder non-compliant if they didn't follow the rules or have an undisclosed advantage contrary to fair tendering principles.

Yours truly,

A handwritten signature in blue ink, appearing to read "Michael Pacholok".

Michael Pacholok, J.D.

Chief Purchasing Official & Director, Purchasing Materials and Management Division

Cc: Rod Blake, Legal Services
Elena Caruso, Manager, Goods and Services, Purchasing & Materials Management Division
Edward Chin, Supervisor, Goods and Services, Purchasing & Materials Management Division