



REPORT FOR ACTION

Supply and Delivery of Carpentry Shop Supplies Agreement

Date: September 5, 2019

To: The Board of Governors of Exhibition Place

From: Don Boyle, Chief Executive Officer

Wards: All

SUMMARY

This report recommends approving two agreements with Rona Inc. a Division of Lowes Canada, doing business as (dba) Rona Inc. ("Rona") and with Hanford Lumber Limited ("Hanford") for the non-exclusive supply and deliver of carpentry shop supplies and lumber for a one-year term with three (3) additional one-year options to renew. This recommendation follows the competitive Request for Quotation process undertaken by Exhibition Place considering two (2) submissions from companies that have experience supplying these items.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. The Board of Governors approve agreements both with Rona Inc. a Division of Lowes Canada, doing business as (dba) Rona Inc. ("Rona") and with Hanford Lumber Limited ("Hanford") for the non-exclusive supply and delivery of carpentry shop supplies and lumber for a one-year term with three (3) additional one-year options to renew on the terms and conditions set out in this report and such other terms and conditions required by the Chief Executive Officer and City Solicitor.

FINANCIAL IMPACT

The funding for supply and delivery of carpentry shop supplies and lumber is provided for in the in the 2019 Operating Budget, and will be provided for in the 2020, 2021 and 2022 Operating Budgets as required.

Annually the cost of carpentry shop supplies and lumber ordered as required is in the amount of \$40,000.00, exclusive of HST, with an award in the amount of \$20,000.00 to each supplier.

DECISION HISTORY

The Exhibition Place 2017 – 2019 Strategic Plan has a Public Space and Infrastructure goal to ensure our State-of-Good Repair plan and process is adequately linked to our capital plan and as a Strategy to support this goal we will increase our preventative maintenance program to maintain facilities and rolling assets in good working order.

At its meeting of September 2015 the Board approved of an award to Rona Inc. for the non-exclusive supply of various hardware/building products and materials to Exhibition Place for a one-year period with the option to extend for an additional three one-year periods.

<https://www.explace.on.ca/files/file/58bdc1801b8c4/Item-10-Hardware-Supplier.pdf>

COMMENTS

The Request for Quotation for the supply and delivery of carpentry shop supplies was issued by Exhibition Place on July 30, 2019 and two (2) quotations were received, from Rona Inc. a Division of Lowes Canada dba Rona and Hanford Lumber Limited which meet specifications.

The RFQ detailed the Board's specific requirements which included estimated quantities for seventy (70) shop supplies and thirty-five (35) lumber products, along with discount off list pricing for one hundred (100) hardware and tool items.

Rona, Inc. is a Canadian retailer of home improvement and construction products and services founded in 1939. In May 2016, American retailer Lowe's acquired Rona.

Hanford Lumber has been a supplier of lumber and various other building materials in Etobicoke since 1955.

There are often occasions when a specific supplier is out of stock on an item and we have had to go to another supplier for a particular tool or piece of hardware so having two suppliers to meet operational needs will give staff greater flexibility to obtain supplies without delay. Both suppliers are offering a 5% discount off list for over 50 manufacturer's products. Pricing is very similar on most items and staff will have the summary of pricing for both suppliers so first choice will always be to go to the lower priced offering.

Terms and Conditions:

The substantial terms and conditions of the agreements with Rona and Hanford are as follows:

- Term: One year from date of issue, on an as required non-exclusive basis, with the option to extend for three (3) additional separate one-year periods subject to satisfactory performance review and budget availability.
- Pricing: Pricing is to be fixed during the first year of the Agreement in accordance with the terms of the Request for Quotation.

- Assignment: The agreement shall not be assigned by Rona or Hanford without written consent of the Board.
- Insurance: Proof of insurance shall be provided 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.
- Extensions: Increases in pricing for three one-year options will be based on the Consumer Price Index (CPI), all items, Toronto and calculated three months prior to expiry of then current year agreement
- Additional Clauses: The agreement shall include other standard commercial terms respecting termination and other matters in a form satisfactory to the City Solicitor and the Chief Executive Officer.

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS
