



BID AWARD PANEL CONTRACT AWARD

Award of Solicitation Number 2272041817 to Enveloppe Laurentide Inc. for the Supply and Delivery of Envelopes for Various Divisions to Multiple Locations

Date: June 4, 2020
To: Bid Award Panel
From: Chief Purchasing Officer
Wards: All

RECOMMENDATIONS

The Chief Purchasing Officer recommends that the Bid Award Panel grant authority to award the following contract:

Solicitation Number:
RFQ Ariba Document Number 2272041817

Description:

The non-exclusive supply and delivery of envelopes for various divisions to multiple locations throughout the City of Toronto, as and when required for a period of three (3) years with an option in favour of the City to extend the agreement on the same terms and conditions for an additional term of up to two (2) additional separate one (1) year periods.

Prior to the renewal of the contract, PMMD will perform a market analysis to verify the current market conditions as compared to the proposed increase by the vendor. Divisions involved will monitor vendor performance during the first term of the contract. Should the option(s) be exercised, the City Clerk or designate will request the Chief Purchasing Officer to process the renewals under the same terms and conditions.

Recommended Supplier:
Enveloppe Laurentide Inc.

Contract Award Value:
\$926,203 net of all applicable taxes and charges (incl. 25% for Misc. Items)
\$1,046,609 including HST and all applicable charges
\$942,504 net of HST recoveries

Contract is expected to start on date of award and end on June 15, 2023.

Option Year 1: June 16, 2023 to June 15, 2024
\$317,996 net of all applicable taxes and charges, (incl. 25% for Misc. Items)
\$359,336 including HST and all applicable charges
\$323,593 net of HST recoveries

Option Year 2: June 16, 2024 to June 15, 2025
\$327,536 net of all applicable taxes and charges, (incl. 25% for Misc. Items)
\$370,116 including HST and all applicable charges
\$333,301 net of HST recoveries

The total potential contract award identified in this report, including all option years is \$1,571,735 net of all applicable taxes and charges, and \$1,776,061 inclusive of all taxes and charges. **The total potential cost to the City is \$1,599,398 net of HST recoveries.**

The above cost calculations for the option years reflect an estimated 3% increase in the Consumer Price Index.

Agencies, Boards, Commissions and Corporations (Toronto Police and Toronto Community Housing Corporation) also participated in this call and will be seeking their own authority.

FINANCIAL IMPACT

The total potential contract award identified in this report, including all option years is \$1,571,735 including all applicable taxes and charges, and \$1,776,061 net of all taxes. The total potential cost to the City is \$1,599,398.

The materials for PMMD Stores will be purchased for inventory purposes. The material value will be held in inventory holding Balance Sheet accounts until City Divisions require the material to support their work programs, at which time the material value is charged to the appropriate Divisions' approved operating budgets.

Funding is available in the 2020 Approved Operating Budget for the City Clerk's Office. The balance of the contract will be included in the 2021-2023 Operating Budget Submissions for the City Clerk's Office. Should the two optional periods be exercised, then additional funding will be included in the 2023-2025 Operating Budget Submissions for the City Clerk's Office. Funding details follow in Table 1.

Table 1 - Financial Impact Summary of Recommended Contract

Period	City Clerk's Office Cost Centre: GV0005 Cost Element: 4825 (net of HST recoveries)	PMMD (City Stores) Cost Centres: 160004, 160026, 160049, 160067, 160068, 160082, 160083, 160085,160171 Cost Element: 2560 (net of HST recoveries)	Total (net of HST Recoveries)
Date of award to December 31, 2020	\$143,777	\$39,488	\$183,265
January 1, 2021 to December 31, 2021	\$246,475	\$67,693	\$314,168
January 1, 2022 to December 31, 2022	\$246,475	\$67,693	\$314,168
January 1, 2023 to June 15, 2023	\$102,698	\$28,206	\$130,903
Sub-total: Contract Period	\$739,424	\$203,080	\$942,504
Optional Periods:			
June 16, 2023 to December 31, 2023	\$148,090	\$40,672	\$188,763
January 1, 2024 to June 15, 2024	\$105,779	\$29,052	\$134,830
Sub-total: Option Year 1	\$253,869	\$69,724	\$323,593
June 16, 2024 to December 31, 2024	\$152,533	\$41,893	\$194,425
January 1, 2025 to June 15, 2025	\$108,952	\$29,923	\$138,875
Sub-total: Option Year 2	\$261,485	\$71,816	\$333,301
Grand Total	\$1,254,778	\$344,620	\$1,599,398

SOLICITATION SUMMARY

Solicitation Issued: February 21, 2020
Number of Addenda Issued: Three (3)
Number of Bids: Two (2)

Solicitation Closed: March 17, 2020

Table 2: Summary of Bids Received for RFQ including bid price

Supplier Name	Evaluated Bid Price (including H.S.T.)
Enveloppe Laurentide Inc.	\$837,287.16
Royal Envelope Ltd.	\$1,427,254.97 (incl. 2% Prompt PMT Discount)

* Bid prices were corrected for mathematical errors. Purchasing and Materials Management has verified that the mathematical errors were corrected.

DIVISION CONTACTS

Elena Caruso, Manager, Goods & Services, Purchasing & Materials Management, 416-392-7316, Elena.Caruso@toronto.ca

Matthew Stockburn, Acting Manager, Information Production, City Clerk's Office, 416-392-5401, Matthew.Stockburn@toronto.ca

COMMENTS

For the recommended contract award, the following requirements have been met:

- a. The firm recommended for award is the lowest Supplier meeting specifications or to the highest scoring Supplier based on the evaluation criteria included in the Solicitation and meeting the requirements of the solicitation;
- b. the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;
- c. the total contract value is less than \$20 million dollars (excluding applicable taxes) and the contract term is:
 1. for a contract funded by the operating budget, 5 years or less including any option years; or
 2. for a contract funded by the capital budget, within the projected term of the capital funding for the project as set out in the capital budget,

being within the authority of the Bid Award Panel;

d. there are no material written objections to the award;

e. the Solicitation document was advertised on the City's internet website and bids or proposals were opened publicly; and

f. 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 Solicitations are on the file in the Purchasing and Materials Management Division.

SIGNATURE

Mike Pacholok
Chief Purchasing Officer