



Report to: General Committee

Report Date: March 17, 2014

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**SUBJECT:** Award of Request for Proposal 211-R-13 Employee Service Awards Program – Gifts and Lapel Pins

**PREPARED BY:** Mona Nazif, Senior Manager, Human Resources, Ext. 2484  
Rosemarie Patano, Senior Construction Buyer, Ext. 2990

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**RECOMMENDATION:**

- 1) THAT the report entitled “Award of Request for Proposal 211-R-13 Employee Service Awards Program – Gifts and Lapel Pins” be received;
- 2) AND THAT the contract for Employee Service Awards Program – Gifts and Lapel Pins (211-R-13) be awarded to the highest ranked / second lowest priced bidder, Williams Recognition Ltd. for a three (3) year term with an option to renew for an additional two (2) one (1) year terms, for the total amount of \$610,185.10 over five years (inclusive of HST);
  - a. 2014 - \$103,462.97 (inclusive of HST)
  - b. 2015 - \$104,288.81 (inclusive of HST)
  - c. 2016 - \$134,144.44 (inclusive of HST)
  - d. 2017 - \$134,144.44 (inclusive of HST)
  - e. 2018 - \$134,144.44 (inclusive of HST)Total: \$610,185.10 (inclusive of HST)
- 3) AND THAT the fees for Employee Service Awards Program – Gifts and Lapel Pins in the amount of \$579,060.79 (inclusive of HST) be funded from the Human Resources operating budget Service Award account #200-998-3303 over a five year term subject to Council approval of the 2014, 2015, 2016, 2017, and 2018 Operating Budgets;
- 4) AND THAT the fees for Employee Service Awards Program – Gifts and Lapel Pins in the amount of \$31,124.30 (inclusive of HST impact) be funded from the Library operating budget Service Award account #998-100-3303 over a five year term subject to Council approval of the 2014, 2015, 2016, 2017, and 2018 Operating Budgets;
- 5) AND THAT the Director of Human Resources and Senior Manager of Purchasing & Accounts Payable be authorized to approve any cost fluctuations (due to both volume and precious metal price changes), in each year commencing in year 4 of this agreement;
- 6) AND THAT Staff be authorized and directed to do all things necessary to give effect to this resolution;

## PURPOSE

The purpose of this report is to obtain approval to award the contract for Employee Service Awards Program – Gifts and Lapel Pins for a three (3) year term with an option to renew for an additional two (2) one (1) year terms.

## BACKGROUND

Under the City of Markham's staff recognition program service awards are presented to employees for years of service completed based on intervals of 3, 5, 10, 15, 20, 25, 30, 35 and 40 years of continuous service. Eligible employees receive gifts of their choice selected from the vendor's inventories and catalogue based on years of service.

The City has two types of service awards programs:

- i. Regular full time service awards program- This program provides both a gift and a clutchback lapel pin to employees at each service award milestone except for the three year milestone, where only a pin is provided. Regular full time staff receive a service award at each of the following service award milestones: three years, five years, fifteen years, twenty years, twenty-five years, thirty years, thirty-five years and forty years. Staff review and select a gift from a wide variety of gifts available from the successful vendor's website, and customized for the City of Markham. Staff also receive a hardcopy brochure with photographs of gifts available by service award year, with a customer care phone number if they prefer to call in.
- ii. Part time/contract service awards program- This program provides a clutchback lapel pin to employees at each of the following service award milestones- five years, fifteen years, twenty years, twenty-five years, thirty years, thirty-five years and forty years.

For both programs, each lapel pin and gift are individually wrapped.

It is with this background that the City issued a Request for Proposal (RFP) to secure a vendor for the provision of the Employee Service Awards Program – Gifts and Lapel Pins for a three (3) year term with an option to renew for an additional two (2), one (1) year terms.

## BID INFORMATION:

Advertised, place and date	ETN
Bid closing date	November 14, 2013
Number picking up documents	8
Number responding to bid	5

## PROPOSAL EVALUATION

The evaluation team was comprised of staff from Human Resources with Purchasing Staff acting as the facilitator. The evaluation was based on pre-established evaluation criteria as detailed in the Request for Proposal: 20 points Relevant Experience and Expertise of Firm, 20 points Qualifications of Lead Consultant and Project Team, 30 points Project

Understanding, Methodology, Delivery and Management, and 30% Price, totaling 100 points with resulting scores as follows:

Supplier	Score (out of 100)	Rank Results
<b>Williams Recognition Ltd.</b>	81.84	<b>1</b>
Rembrandt Awards Mfg. Ltd.	78.30	2
Rideau Recognition Solutions	71.04	3
Maison Birks – Birks Corporate Sales	41.90	4
Diamond Showcase Ltd.	40.51	5

**Note:** The bids received from the five (5) bidders ranged from approximately \$297,675 - \$703,563 inclusive of HST for a three (3) year contract term.

### **OPTIONS / DISCUSSIONS**

Williams Recognition Ltd. (the incumbent), the overall highest ranked supplier, demonstrated strong and relevant experience with service awards projects of a similar size and scope. The vendor is able to deliver the service awards program through a variety of means including web, paper and telephone as per the specifications of the request for proposal. In addition, the vendor has an Administrator website where the City of Markham can view recipient data and current status of orders thus ensuring dependable and timely service. The website from which employees can have the option to order their service awards is clear, intuitive and easy to use thus enhancing the service awards experience for employees. The selection of gifts is broad and satisfies all major categories including jewelry, lifestyle, Canadiana and technology. Williams Recognition has competitive delivery of goods and strong return and customer satisfaction policies compared to the other vendors.

In comparing the 2013 contractual pricing, this contract represents an increase of 22% for the first year period, which is specific to volume only. The volume increase is due to a substantial increase in additional requirements for longer serving employees. The unit cost pricing has decreased by 6%.

### **FINANCIAL CONSIDERATIONS AND TEMPLATE:**

The contract award for Employee Service Awards Program – Gifts and Lapel Pins totals \$610,185.10 (inclusive of HST) over a five year term (three (3) year term with an option to review for an additional two (2) one (1) year terms).

2014 - \$103,462.97
2015 - \$104,288.81
2016 - \$134,144.44
2017 - \$134,144.44
<u>2018 - \$134,144.44</u>
Total: \$610,185.10

Pricing is firm fixed for five years (5) years (2014-2018), with the exception of precious metals which will be based on gold and silver markets. These costs will be adjusted based on the market prices, starting from Year 4 (2017) and Year 5 (2018).

Hence, the year-over-year increase in contract price (2014 to 2016) is driven by volume. The volume of pins and gifts required for the years of 2014 to 2016 is subject to change as it is based on current staff complement (full and part time) and projected staff milestone dates. The volume of pins and gifts for the years of 2017 to 2018 has been maintained at the 2016 level and will be reviewed in the future to assess the required volume.

Funding for the award will be \$597,060.79 from the Human Resources operating budget service award account #200-998-3303 and \$31,124.30 from the Library operating budget service award account #998-100-3303, subject to Council approval of the 2014, 2015, 2016, 2017 and 2018 Operating Budgets. Any future adjustments to the operating budget will be reviewed as part of the annual operating budget process.

The Director of Human Resources and Senior Manager of Purchasing & Accounts Payable will be authorized to approve any cost fluctuations (due to precious metal price changes), in each year commencing in year 4 of this agreement in accordance to the Expenditure Control Policy.

**HUMAN RESOURCES CONSIDERATIONS:**

Not Applicable

**ALIGNMENT WITH STRATEGIC PRIORITIES:**

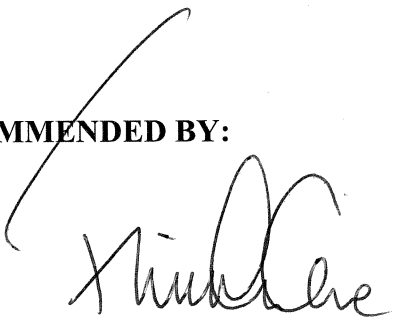
Not Applicable

**BUSINESS UNITS CONSULTED AND AFFECTED:**

Not Applicable

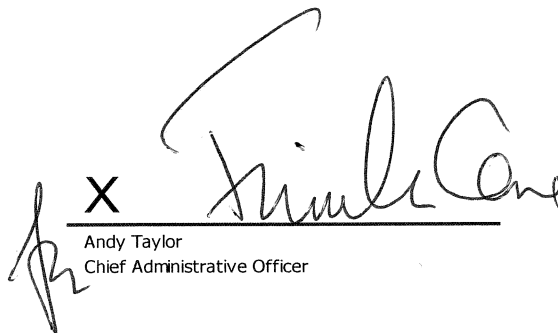
**RECOMMENDED BY:**

X



Trinela Cane  
Commissioner, Corporate Services

X



Andy Taylor  
Chief Administrative Officer