



UNISYNC Group

SET TO TAKE ON DND'S \$3 BILLION UNIFORM REQUIREMENT

BY JAMES RISDON

A major operational clothing and equipment manufacturer to the Canadian Armed Forces ("CAF"), Peerless Garments' parent company is readying itself to both compete in the international marketplace and bid on Canadian Government contracts worth several billions of dollars. Carmin Garofalo, President and CEO of Unisync Group, says the national uniform company is expecting substantial growth within the next three years and already Unisync is fielding requests



For Federal Government uniform contracts, President, Garofalo says Unisync has "... got all the pieces of the puzzle put together."



Outfitting Air Canada crews with uniforms
Main Photo: Distribution facility in Guelph, Ontario

from customers who want it to provide global services.

"We're on the cusp of doing just that," Garofalo told CDR. "We expect to go international in the next two years." In addition to preparing itself for upcoming significant opportunities with the Canadian Government which require Canadian-made product, this uniform industry juggernaut is currently vetting manufacturers throughout the world to be able to deliver a flawless service when it does take that international

leap. "We're identifying manufacturing hubs that are conducive to where we are going to provide these services," said Garofalo.

But, deals in the works at Unisync could soon make last year's double-digit growth in sales pale in comparison. In the next six months, PSPC (Public Services and Procurement Canada), formerly PWGSC, is expected to issue a request for proposal for a contract to supply the CAF with all its operational clothing and footwear items along with selected equipment items



Unisync's Peerless Garment division has been supplying military uniforms to Canada's military for many years

("OCFC2"). Think specialized work wear including combat uniforms.

"Including option years it will be for 20 years and ... it's safe to say it'll be over \$1 billion," Pierre L. Charron, Unisync Group's Senior Vice-president – Corporate development, told CDR. The heart and soul of Unisync's capability to be a serious contender for that military contract is a combination of two elements: its vertical integration with its Winnipeg-based Peerless Garments subsidiary, a long-time contractor to the Canadian Armed Forces, and Unisync's experience in developing, sourcing and managing complex consolidated uniform programs.

PEERLESS GARMENTS ALREADY SUPPLIES CAF

"We've been doing business with the Canadian government for the better part of 65 years," Albert El Tassi, Peerless Garments' President and Chief executive officer, said in an interview with CDR. In December, last year, Peerless Garments landed yet another four-year deal worth up to \$18.2 million to supply enhanced combat uniforms ("ECU")

to Canada's military men and women. Under the terms of that deal, the company is to provide 38,760 pairs of combat pants and 18,000 combat jackets within the first two years for \$6 million. And then there are the two options on the deal that together are worth up to \$12.2 million for the same amount of clothing items in the third and fourth year of the contact.

Over its history, Peerless Garments has been a garment manufacturer to DND and many other government departments. Over time, it has produced in excess of 4.5 million garment pieces for these customers. What has made Peerless Garments unique is its skill set and capabilities to successfully integrate new designs with existing garment modifications. Note that most fabrics involved are also highly technical and specialized. Based on this solid reputation, Peerless Garments has been contracted on several occasions to integrate multiple designs into one product style that meets the requirements of more than one operational community, thus reducing NATO stock numbers, inventory and reducing overall costs.

In addition to its successful involvement in the ECU product line, Peerless Garments has also been recognized for its contribution in several other projects. For example, it was instrumental in the re-design, manufacture and supply of the Advanced Aircrew Ensemble which involved garment items utilized by the Royal Canadian Air Force. The Ensemble consisted of a 2-in-1 combo jacket with liner and a set of wet and cold weather bib coveralls. Like the ECU, this product line is also based on specialized fabrics such as fire resistant and water proof materials. The items are also operational-specific in colour for Search and Rescue, Special Operations, Tactical Aviation and Transport and Helicopter Operations.

A COMPANY ON THE RISE

Over the years, operating under the brands Hammill Workwear and YORK, Unisync has serviced the needs of a highly-attractive, Who's Who of corporate customers. In addition to having its own unique manufacturing background and experience, it has a strong reputation for leadership in

product design. In its product categories, Unisync has won the industry's highest achievement award for the most fashionable, forward thinking and innovative commercial apparel designs from The North American Association of Uniform Manufacturers & Distributors (NAUMD) on twelve occasions since 2010. This is a record in the industry.

The marriage of Unisync and Peerless Garments resulted in a vertically-integrated full service uniform company which is unique in the industry. Its customer reach extends into the federal, provincial and municipal governments, in addition to covering an impressive roster of corporate clients.

"Bringing both together created a very complete skill set and experience that satisfied the requirements of the government," said Unisync's Charron. Also, Peerless Garments brought in years of experience in responding to government RFPs which complemented Unisync's decade's long experience in business-to-business sales and marketing in the corporate apparel segment.

Muscled up with that greater capability, the resulting company also has a proven track record in both domestic manufacturing and off-shore outsourcing. Unisync combines this experience with its core competencies in inventory management and distribution while offering its various customers a state-of-the-art web-based B2B ordering platform. Unisync's distribution system and network includes a 100,000-square-foot centre in Guelph, Ontario which is unique in the industry. It utilises a modern multi-station, "pick-to-light" carousel system which can effectively crank out huge volumes on an ongoing basis.

"The carousel system moves inventory 'intelligently' as it brings the inventory totes to the picker who is then guided by the light system found on each carousel that turns around the picker. The picker simply stands in the middle of the carousels ... and takes the garment item(s) from one tote to another as instructed by the lights," said Charron. "It's extremely efficient and very accurate in terms of filling customer orders."

BUILDING A TRULY NATIONAL COMPANY

In addition to the marriage of the Unisync Group and Peerless Garments under the mantle of Unisync Corp., the company has added even more capability and extended its reach with other strategic acquisitions. Two years ago, Unisync Corp. bought Ottawa-based Carleton Uniforms Inc. "The acquisition was very strategic in nature,"

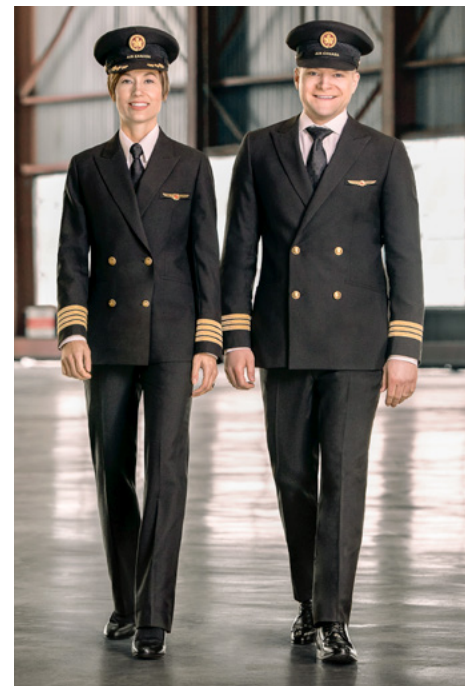


The carousel system employed at the Guelph distribution facility moves inventory 'intelligently' and efficiently

said Garofalo. "Carleton was a business that focused on supplying tunics and other garment items to Law Enforcement and Fire customers while quickly growing in the EMS (emergency medical services) sector of our industry. They were very successful."

The Unisync buyout of Carleton Uniforms not only added to the customer base but also came with its long-term reputation for excelling as a provider of quality dress-wear tunics. Last but not least, it also provided Unisync with a geographical presence in the National Capital Region to better service its growing governmental customer base. Late 2014, Unisync added to its competencies and product offering by hiring the Ontario staff and taking over the operations of an established supplier of duty gear and security equipment.

The personnel at Quebec-based, R. Nicholls Distributors Inc., personnel possess over 35 years of experience in sourcing and supplying specialized and unique law enforcement and personnel security equipment products. Its talent and



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Unisync's Peerless unit supplies uniforms for CAF SARTECHS

experience has now been made available to all of Unisync's customers across Canada.

In 2015, Unisync expanded to the West Coast with the acquisition of Vancouver-based Omega Uniform Systems. "The woman who owned (Omega Uniform Systems), Margaret Ramsdale, was very well known in the industry. As a result, we had instant success.

CHOSEN SUPPLIER FOR NATIONAL UNIFORM PROGRAMS

And then, there are the deals Unisync has landed with Purolator, Air Canada and G4S Canada, the continent's biggest security company. In February, Unisync Group announced it had inked a multi-year deal with G4S to design, manufacture and distribute uniforms to the company's 8,000 employees across Canada. This multi-year agreement represents a culmination of two years of testing both Unisync's award-winning product quality and customer focused suite of fulfillment services.

That deal came less than a year after Unisync Group announced it was selected by Air Canada to be the provider of its new uniform program to be worn by its 28,000 employees domestically and abroad in another multi-year contract. "It's a pretty substantial contract," said Garofalo. "We've implemented a totally new uniform program. The look you see from their pilots through to their ground crew will completely change over in the

course of the next six months." This uniform program combines Unisync's skills in the development of both work and dress wear.

"The decision to select Unisync as our uniform provider was the result of a comprehensive review of potential suppliers in the market," said Panos Dassios, Air Canada's Manager of Strategic Procurement – Corporate & Shared Services. "We evaluated product expertise, supply chain, social responsibility, innovation, and other factors, and ultimately decided to move forward with Unisync."

Similar to the Air Canada contract, Purolator is a multi-year deal that involves a full array of products composed of dress and work wear, including outerwear items. Purolator selected Unisync to design, manufacture, distribute and manage their new employee uniform program on the same basis as other large demanding customers. Unisync's state-of-the-art web-based B2B ordering platform and its modern distribution facilities influenced these decisions favorably.

UNISYNC READY TO RESPOND TO \$3 BILLION OPPORTUNITY

These recent wins of managed uniform contracts for work wear and dress wear should position Unisync well for the upcoming Consolidated Clothing Contract (C3) opportunity. This "organizational" dress wear and "occupational" clothing requirement for DND will be serviced through a managed program like OCFC2 and has

an estimated value of \$2BLN over 20 years. The bidding process for this opportunity is planned to be within the next two years. This means OCFC2 and C3 will be back to back opportunities, with a combined value for up to 20 years of over \$3 BLN. Unisync will be ready to respond to both opportunities.

Although Unisync Corp. remains on the lookout for new acquisitions in the Maritimes, Quebec and Alberta, the company's top exec is confident the past few years of strategic moves have helped it grow into a major player both for government contracts and the private sector.

"Now, we've got all the pieces of the puzzle put together," said Unisync's Garofalo. "For the larger Federal Government opportunities, we've got the logistics and distribution from Unisync and then we've got the manufacturing capabilities and experience on the military side from Peerless. And, so now we're becoming a major player in the federal arena."

So, having listened very carefully to what Unisync has told us about its capabilities in the uniform sector - and military uniforms specifically - we know this is a company to watch in the months ahead and certainly we won't be at all surprised if it is one of the leading uniform suppliers to Canada's Armed Forces in the years ahead. ■

James Risdon is CDR's Atlantic Canada correspondent.

CORPORATE SNAPSHOT

COMPANY

UNISYNC

Unisync Group Limited

PRESIDENT

Carmin Garofalo

EMPLOYEES

235

FACILITIES

Mississauga, Guelph, Winnipeg, Ottawa, Vancouver, Montreal

KEY CUSTOMERS

DND, Air Canada, Purolator, G4S

UPCOMING GOVERNMENT OPPORTUNITIES

OCFC2, Correctional Services Canada, C3

WEBSITE

www.unisyncgroup.com