

Purchase Of Luminator Parts

Meeting Date: December 13, 2000

Subject: Purchase Of Luminator Parts

Recommendation

It is recommended that the Commission authorize the awarding of a three year inventory supply contract for luminator parts to Mark IV Industries for an upset limit of \$293,000.00 including applicable taxes for the period from January 2001 to December 2003.

Funding

Sufficient funds will be included in the 2001 TTC Operating Budget and will be included in future Operating Budgets as appropriate. These inventory materials will be charged to the appropriate budget at the time of usage.

Background

The subject luminator parts are used on the Commission's bus vehicle fleet. Staff have estimated that over the three year period, approximately 2,400 pieces of 26 part types will be required to support maintenance needs.

Discussion

Tenders were invited from eight known suppliers coupled with an advertisement in the Globe and Mail on October 30, 2000. Three companies submitted tenders as summarized in Appendix 'A'.

Mark IV Industries submitted the lowest tender and did not state any exceptions or qualifications. Their tender is considered commercially and technically acceptable. The upset limit value of the award of \$293,000.00 includes a 5% allowance for new parts yet to be identified and forecasting variances.

The pricing for the new three year contract is approximately 6% higher in year one, an additional 3% in year two and an additional 3% in year three. This increase is attributed to the following; devaluation of the Canadian dollar as these parts are manufactured in the United States, annual labour increase of 4% and an increase in shipping and transportation cost.

Justification

These luminator parts are required in order to support maintenance needs.

November 28, 2000

9-118-80

Attachment – Appendix ‘A’

Appendix ‘A’

Purchase Of Luminator Parts

Cost Summary

Mark IV Industries / \$278,816.87

New Flyer Industries / \$310,305.63

Orion Bus Industries / \$321,861.62