

MEETING DATE: April 11, 2001

SUBJECT: Procurement Authorization - Elevator Maintenance Service Contract

RECOMMENDATION

It is recommended that the Commission approve the award for an elevator maintenance service contract to Schindler Elevator Corporation in the upset limit amount of \$450,000.00. The duration of this contract is for a two-year period with an option for an additional three-year contract extension to be reviewed by staff prior to the contract expiration and subject to Commission approval.

FUNDING

Sufficient funds for the 2001 requirements are included in the 2001 TTC & TCTI Operating Budgets. Adequate provision will be made in the future year's Operating Budgets as required.

BACKGROUND

It is the TTC's responsibility, as an owner under the Elevating Devices Act & Regulations, to maintain elevating devices to CAN/CSA B-44 Safety Code for Elevators. This contract will cover maintenance of 46 elevating devices, regardless of the manufacturer, 31 of which are located within the subway system, and 15 of which are located within various TTC buildings.

The existing specification for the elevator maintenance service contract has been modified to include additional items to improve maintenance, such as inaccessible glass cleaning, replacement of cab lighting and other items, to avoid extra costs and unnecessary downtime. In addition, the maintenance for an additional 15 elevators that have passed the normal 24-month warranty period has also been included.

DISCUSSION

Seven companies were invited to submit tenders in addition to the public advertisement in the Globe and Mail on February 12, 2001. A site meeting was conducted to allow interested parties to view typical equipment, to review some of the highlights of the contract, and to provide a forum for answering any questions of concern. Four companies submitted tenders as summarized in the attached Appendix "A".

Otis Canada submitted the lowest bid, however, it is a non-compliant bid as it includes pricing on non-subway locations only. Schindler Elevator Corporation, who is the existing contractor, submitted the second and third lowest bid. The second lowest bid is non-compliant as it contains exceptions on payment of overtime premiums, assistance for TTC access and testing, supply of cab lighting material, responsibility for repairs due to vandalism, misuse or abuse, cleaning of inaccessible glass, and annual replacement of hydraulic fluid.

In addition to their non-compliant bid, Schindler Elevator submitted a bid of \$417,932.86, which is the lowest of all other bids, containing no exceptions and is fully compliant to the Commission tender document. TTC's Legal Department has reviewed and approved this bid.

It is further recommended to include approximately a 7.5% contingency, for work beyond the scope of the contract such as vandalism and water damage, bringing the total award to \$450,000.00

JUSTIFICATION

The escalator maintenance service contract is essential to support the continued safe operation and reliability of Commission elevating devices and to be compliant with the regulating authority for regular maintenance, inspections and repairs.

March 29, 2001

6-137

Attachment - Appendix "A"

**PROCUREMENT AUTHORIZATION -
ELEVATOR MAINTENANCE SERVICE CONTRACT
TENDER NO. M31T01010**

COMPANY	TOTAL TENDERED PRICES
Schindler *	\$417,932.86
Thyssenkrupp	\$838,924.08
Fujitec	\$1,090,783.80
Otis Canada**	\$100,794.00
Schindler ***	\$187,712.44

* Lowest Compliant Bid

** Pricing submitted on non-subway locations only

*** Non-compliant

Engineers Estimate \$500,000.00

Plant Maintenance Department

March 29, 2001