

MEETING DATE: May 14, 2001

SUBJECT: Procurement Authorization Sheppard Subway Supply/Installation Of Fare Collection Equipment Contract SH-00-Z01

RECOMMENDATION

It is recommended that the Commission authorize:

- a. acceptance of the proposal submitted by Royal Laser Tech Corporation (Royal Laser) in the amount of \$4,370,000 for Contract SH-00-Z01, Supply/Installation of Fare Collection Equipment; and
- b. pre-authorize an amendment allowance in the amount of \$375,000 for Contract SH-00-Z01 to cover contract changes and claims within the overall scope of the contract.

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FUNDING

The 2001–2005 Capital Program, which was approved by City Council on April 30, 2001, contains sufficient funds for the:

1. fare collection expenditure, in RTEP projects under Sheppard Subway, Yonge to Don Mills, as set out on pages 695–714 in the Sheppard category; and
2. supply and delivery of eleven (11) easier access fare gates, in Buildings & Structures Project 3.9 – Easier Access Phase II, as set out on pages 655 – 659, in the Legislative category.

BACKGROUND

Contract SH-00-Z01 covers the design, supply, installation and testing of the Fare Collection Equipment for the Sheppard-Yonge, Bayview, Bessarion, Leslie and Don Mills stations on the Sheppard Subway line and the supply of eleven easier access fare gates for the existing subway system.

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DISCUSSION

Requests for proposals for Contract SH-00-Z01, Supply and Installation of Fare Collection Equipment was publicly advertised in the Daily Commercial News, the Globe and Mail and Passenger Transport on March 26, 2001 resulting in seven (7) contractors obtaining proposal documents. Three proposals were submitted on April 26, 2001, and are summarized in Exhibit 1.

Royal Laser submitted the lowest priced proposal and did not state any exceptions or qualifications. Royal Laser has performed work of a similar nature but smaller in size for the Commission within the last five years. Reference checks indicate that Royal Laser has satisfactorily performed work of a similar size and nature within the past five years. Based on a review of Contractor's financial statements it appears they have the financial capability to perform this Contract. Royal Laser is commercially and technically acceptable.

Ellis-Don Corporation submitted the second lowest priced proposal and did not state any exceptions or qualifications. They are also considered commercially and technically compliant.

Ross-Clair/Division of R.O.M. Contractor's Inc. submitted the third lowest priced proposal but due to the difference in price their proposal was not further evaluated.

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Pre-Authorized Amendment Allowance

At its meeting of March 5, 1996, the Commission approved Authorization for Expenditure Guidelines, which included the provision for the Commission to approve a pre-authorized amendment allowance to be administered by staff for contract changes and claims within the overall scope of the contract. The amendment allowance for this contract is recommended at approximately 10% of the Sheppard Subway requirements (\$375,000) of the contract value. This is based on the assessment of the risk associated with the extensive details of this systems contract that interfaces with others Sheppard Subway systems. Staff is requesting that the Commission pre-authorize this allowance to save on administration effort and costs and expedite implementation of contract changes in order that Sheppard Subway commissioning does not get delayed.

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JUSTIFICATION

The proposal submitted by Royal Laser is the lowest priced compliant proposal.

May 4, 2001

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A0801/958950

Attachment: Exhibit 1

EXHIBIT 1

SUPPLY & INSTALLATION OF FARE COLLECTION EQUIPMENT

CONTRACT SH-00-Z01

PROPONENT	Fare Collection Equipment	Easier Access Gates	PROPOSAL PRICE
Royal Laser	\$3,740,030	\$629,970	\$4,370,000
Ellis-Don	\$3,790,000	\$623,800	\$4,413,000
Ross- Clair/R.O.M.	\$4,509,000	\$619,000	\$5,128,000
Engineer's Estimate	\$3,650,000	\$550,000	\$4,200,000