

MEETING DATE: November 28, 2001

SUBJECT: Procurement Authorization - Design And Supply Of Speed Control System

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to Alcatel Canada Inc., Transport Automation Division, in the amount of \$25,892,430.13, for the design and supply of a Speed Control System for the TTC's Subway System.

FUNDING

Funds have been included in TTC Project 2.4 Signal Systems, Work Order # 6615 – Continuous Speed Control System in the State of Good Repair category as set out on pages 297 to 338 of the 2001 – 2005 Capital Program, as approved by City Council on April 30, 2001.

BACKGROUND

The scope of the Speed Control System Project includes the design and supply of a Speed Control System (SCS) for the existing subway and for the Sheppard Subway. The new SCS will provide continuous on board enforcement of train operating speed limits, as recommended by the Coroner's Inquest, and will provide enforcement of all signals. The SCS will issue a violation warning to the train Operator when a speed limit is exceeded. If this warning is not complied with by slowing the train, an emergency brake will occur. Emergency brakes will also be applied if a red signal is violated, thus enhancing system safety. The SCS will provide other important safety benefits in the subway, such as enforcement of a stop at track ends and enforcement of a speed limit when a train is travelling in the reverse direction.

The SCS will replace the current Grade Timing method of speed enforcement, which uses timer relays as well as lunar white and flashing red aspects to enforce speed limits.

The on board and wayside installation will be performed by TTC forces, except for prototype and test track work.

In January of 2000, a Request for Proposals, for a demonstration of a subway Speed Control System (SCS), was publicly advertised in the Globe and Mail and in Passenger Transport. This demonstration on TTC property was a pre-qualification for submitting a proposal for the system-wide SCS. Three companies submitted proposals for an SCS demonstration. These three companies successfully completed an SCS demonstration in the Summer and Fall of 2000, and thus, established their eligibility to bid on the system-

wide SCS. These three pre-qualified companies were Alcatel Canada Inc. (Alcatel), Alstom Canada Inc. (Alstom), and Siemens Canada Limited (Siemens). A draft copy of the technical specifications for the subway system-wide SCS was sent to each of the three pre-qualified companies in March of 2001. Comments were received from the three companies in April 2001. Acceptable comments from each of the companies were incorporated into the final technical specifications.

DISCUSSION

Proposal Documents were prepared and a Request for Proposals for the system-wide SCS was issued to the three pre-qualified companies on July 31, 2001. Proposals closed on October 9, 2001, with each of the three pre-qualified companies submitting a proposal.

Alcatel submitted the lowest priced base amount of \$25,490,000.00. Alcatel did not state any exceptions or qualifications in their proposal and after a thorough evaluation of their proposal submission documentation, staff consider the proposal to be technically and commercially acceptable, and to be fully compliant with the proposal documents requirements.

The proposal documents also asked for pricing for seven specified options, six desired options, and recommended standby parts, and in addition, Alcatel offered three alternatives. Appendix "A" lists the options, standby parts, and alternatives recommended for acceptance, in the total recommended contract amount of \$25,892,430.13.

The second and third lowest priced proposals were submitted by Siemens and Alstom, respectively. Both Siemens and Alstom took numerous commercial and technical exceptions to the proposal documents. Both of these proposals were thoroughly evaluated and both proposals are considered to be commercially and technically non-compliant and unacceptable.

The cost to TTC to install the proposed equipment was evaluated for all three proponents. Alcatel was judged to have proposed equipment with the lowest cost to install.

Based on a review of their financial statements, it appears that Alcatel have the financial capability to perform this contract.

JUSTIFICATION

The proposal submitted by Alcatel is the lowest priced proposal that is fully compliant with the Speed Control System proposal documents.

November 6, 2001

6-273-207

Attachment: Appendix "A"

Appendix "A"

	ALCATEL	SIEMENS	ALSTOM
Base Proposal Price	25,490,000.00	39,453,826.00	52,260,624.00
Recommended Options/Standby Parts/Alternatives			
Specified Option 7 Maintenance Data Transmitter Interface	109,825.00	70,762.00	246,629.00
Desired Option 4 Transponder Number Transmission	108,100.00	Not Quoted	171,118.00
Standby Parts As recommended by Proponent	244,505.13	1,289,980.00	1,053,497.49
Offered Alternative: Exercise Desired Option 4 At Contract Award	(60,000.00)	N/A	N/A

Sub-Total	402,430.13	1,360,742.00	1,471,244.49
Options/Standby Parts/Alternatives			
TOTAL	\$25,892,430.13	\$40,814,568.00	\$53,731,868.49

Budget estimate: \$23,810,000