

MEETING DATE February 25, 2004

SUBJECT Supply Of Synthetic Automatic Transmission Fluid March 1, 2004 - February 28, 2007

RECOMMENDATION

It is recommended that the Commission approve the award of contract for the supply of Synthetic Automatic Transmission Fluid (TranSynd) for buses for a three-year period from March 1, 2004 to February 28, 2007 to Harper Detroit Diesel Ltd., in the upset limit amount of \$1,553,443.00.

FUNDING

Sufficient funds for the purchase of transmission fluid in 2004 are included in the proposed 2004 TTC Operating Budget. Adequate provisions will be made in the 2005, 2006 and 2007 Operating Budgets to cover expenditures for these years respectively.

BACKGROUND

Traditionally, the supply of lubricants has been covered by three-year contracts. The contract presently held by Harper Detroit Diesel Ltd., will expire on February 29, 2004. Transmission fluid is used in the servicing of Commission buses.

DISCUSSION

On January 9, 2004 a single source request for proposal was forwarded to Harper Detroit Diesel Ltd. for the supply of 140,000 litres of Synthetic Automatic Transmission Fluid. Harper Detroit Diesel Ltd. is the singular distributor for Castrol Synthetic Automatic Transmission Fluid (TranSynd) which is the only approved automatic transmission fluid for Allison Transmissions (used in the new Orion VII fleet).

The first year price per litre submitted by Harper Detroit Diesel Ltd. is approximately 8.4% lower than paid to the same supplier from an April, 2003 tender submission for a smaller quantity (24 drums – 4,992 litres). Year two pricing is approximately 3.1% higher than year one and year three pricing is approximately 3% higher than year two pricing (see Appendix "A"). Harper Detroit Diesel Ltd. did not submit any exceptions or qualifications and are recommended for award.

JUSTIFICATION

Synthetic Automatic Transmission Fluid (TranSynd) is required for the proper maintenance and operation of the new Orion VII fleet.

February 9, 2004

5-73-41

Attachment: Appendix "A"

APPENDIX "A"

SUPPLY OF SYNTHETIC AUTOMATIC TRANSMISSION FLUID

HARPER DETROIT DIESEL – ALLISON LTD.

	Estimated Volumes in Litres	Total Price Per Year (GST & PST Included)
TOTAL	140	\$1,553,443