

MEETING DATE: November 17, 2004

SUBJECT: Purchase Of Bus Mirror Assembly And Components

RECOMMENDATION

It is recommended that the Commission authorize the award of a three-year inventory supply contract, for the supply of bus mirror assembly and components manufactured by B & R Manufacturing, to Orion Bus Industries Limited for the period from mid November 2004 to mid November 2007 for \$208,000 including applicable taxes.

FUNDING

Sufficient funds have been included in the 2004 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 issuance from Stores.

BACKGROUND

The subject bus mirror assembly and components are used for maintaining the Commission's Orion 5 and 7, ELF and Flyer low floor bus mirrors. Several examples include heated glass, rubber plates, electric mirror plugs and harnesses.

DISCUSSION

Tenders were invited from thirteen known companies coupled with an advertisement on the TTC internet website on September 7, 2004. Eight companies submitted tenders as summarized in Appendix 'A'.

The tender called for 21 pre-approved part types. Tenderers were also advised that alternatives would not be considered during the evaluation. All 21 part types are being recommended for award.

PURCHASE OF BUS MIRROR ASSEMBLY AND COMPONENTS Page 2

Orion Bus Industries Limited submitted prices on all 21 part types and has the lowest price on all 21 part types. They are recommended to be awarded an upset limit contract for \$208,000.

New Flyer Industries Limited submitted prices on all 21 part types. Their tender was submitted without submission requirements requested thereby rendering their tender non-compliant and not considered further.

The remaining companies all submitted pricing however they did not have the lowest price on any of the part types.

The contract includes approximately 20% contingency for variances between forecasted and actual usage and new parts yet to be identified which may be added to the contracts during the contract term.

The pricing for the new three-year inventory supply contract is approximately 25% lower in the first year of the contract. The pricing will be approximately 3% higher in year two based on year one pricing and approximately 3% higher in year three based on year two pricing.

JUSTIFICATION

These mirror assembly and components are required in order to support bus mirror maintenance needs.

November 2, 2004

9-118-55

Attachment – Appendix ‘A’

APPENDIX 'A'

PURCHASE OF BUS MIRROR ASSEMBLY AND COMPONENTS

COST SUMMARY

| TENDERER | NO. OF ITEMS PRICED | AMOUNT TENDERED | NO. OF ITEMS RECOMMENDED | RECOMMENDED UPSET LIMIT AMOUNT |
|--------------------------------|----------------------------|------------------------|---------------------------------|---------------------------------------|
| MCI Service Parts Incorporated | 2 | \$ 2,217.72 | -- | -- |
| Orion Bus Industries Limited | 21 | \$174,041.37 | 21 | \$208,000 |
| New Flyer Industries Limited | 21 | \$181,416.41 | -- | -- |
| Neopart | 21 | \$182,886.04 | -- | -- |
| Gillig Corporation | 21 | \$193,685.46 | -- | -- |
| Prevost Car Incorporated | 21 | \$240,607.45 | -- | -- |
| B&R Manufacturing | 21 | \$308,663.29 | -- | -- |
| Tarten Equipment Limited | 21 | \$322,159.56 | -- | -- |