

MEETING DATE: NOVEMBER 17, 2004

SUBJECT: Purchase Of Rockwell Meritor Brake Parts

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of Rockwell Meritor parts to the following companies for the period from January 2005 to January 2008:

- Orion Bus Industries Limited for \$6,317,000 including applicable taxes.
- Neopart for \$750,000 including applicable taxes.
- Metro International Toronto Incorporated for \$244,000 including applicable taxes.
- Fort Garry Industries Limited for \$133,000 including applicable taxes.
- Neudoerffer Truck Supply Incorporated for \$11,000 including applicable taxes.
- MCI Service Parts Incorporated for \$3,000 including applicable taxes.
- Prevost Car Incorporated for \$1,000 including applicable taxes.

FUNDING

Sufficient funds have been included in the proposed 2005 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 Rockwell Meritor parts are used for maintaining the Commission's bus braking system. Several examples include ABS rear wheel sensors, front brake chambers and slack adjusters.

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DISCUSSION

Tenders were invited from twelve known companies coupled with an advertisement on the TTC internet website on September 2, 2004. Ten companies submitted tenders as summarized in Appendix 'A'.

The tender called for 167 pre-approved part types. Tenderers were also advised that alternatives would not be considered during the evaluation. All 167 part types are being recommended for

award.

Orion Bus Industries Limited submitted prices on 165 part types and has the lowest price on 102 part types. They are recommended to be awarded an upset limit contract for \$6,317,000.

Neopart submitted prices on 161 part types and has the lowest price on 41 part types. They are recommended to be awarded an upset limit contract for \$750,000.

Metro International Toronto Incorporated submitted prices on 162 part types and has the lowest price on 11 part types. In addition to their submission, they offered pricing on 2 part types that were alternatives which were not considered further. They are recommended to be awarded an upset limit contract for \$244,000.

Fort Garry Industries Limited submitted prices on 147 part types and has the lowest price on 10 part types. Their submission contained a qualification regarding a part number revision on 1 part type. Their qualification indicated no change to fit, form or function of the part but was merely administrative thereby not rendering the part as an alternative. They are recommended to be awarded an upset limit contract for \$133,000.

Neudoerffer Truck Supply Incorporated submitted prices on 41 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$11,000.

MCI Service Parts Incorporated submitted prices on 36 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$3,000.

Prevost Car Incorporated submitted prices on 132 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$1,000.

New Flyer Industries submitted pricing on 160 parts, however they did not complete the Form of Tender as requested in the tender documents (section 4.1 Declaration did not state Name of Tenderer nor did it state Head Office address, these were blank on the submission). Consequently, their tender was considered non-compliant and they were not considered further.

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Tor Truck Corporation submitted prices on 152 part types. Their tender was submitted without submission requirements requested thereby rendering their tender non-compliant and not considered further.

Mohawk Manufacturing & Supply Company submitted prices on 77 part types. Their tender was based on alternatives thereby rendering their tender non-compliant and not considered further.

Each 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 13% 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 Rockwell Meritor brake parts are required in order to support bus braking maintenance needs.

November 2, 2004

9-118-55

Attachment – Appendix ‘A’

APPENDIX 'A'

PURCHASE OF ROCKWELL MERITOR BRAKE PARTS

COST SUMMARY

TENDERER	NO. OF ITEMS PRICED	AMOUNT TENDERED	NO. OF ITEMS RECOMMENDED	RECOMMENDED UPSET LIMIT AMOUNT
Orion Bus Industries Limited	165	\$6,842,021.31	102	\$6,317,000.00
Neopart	161	\$6,544,962.08	41	\$ 750,000.00
Metro International Toronto Incorporated	162	\$9,889,115.03	11	\$ 244,000.00
Fort Garry Industries Limited	147	\$6,475,482.40	10	\$ 133,000.00
Neudoerffer Truck Supply Incorporated	41	\$3,519,844.92	1	\$ 11,000.00
MCI Service Parts Incorporated	36	\$4,709,884.94	1	\$ 3,000.00
Prevost Car Incorporated	132	\$7,576,649.53	1	\$ 1,000.00
New Flyer Industries Limited	160	\$7,121,455.21	--	--
Tor Truck Corporation	152	\$8,243,098.95	--	--
Mohawk Manufacturing & Supply Company	77	\$2,607,406.81	--	--