MEETING DATE: October 20, 2004

SUBJECT: Procurement Authorization: Design, Fabrication And Assembly Of A Rail Non-Revenue Vehicle –Vacuum Rodder (RT-56)

RECOMMENDATION

It is recommended that the Commission authorize the acceptance of the proposal submitted by Arva Industries Inc. (Arva) in the amount of $792,951.41, including applicable taxes, for the Design, Fabrication and Assembly of a Vacuum-Rodder Subway Workcar (RT-56).

FUNDING

Sufficient funds to accommodate this expenditure are included in Project 4.23 Purchase of Rail Non-Revenue Vehicles, as set out on pages 1061-1062 in the "State of Good Repair" category of the 2004-2008 Capital Program, as approved by City Council on April 21, 2004.

BACKGROUND

Currently, an electric powered subway workcar (RT-6), equipped with a diesel powered vacuum system is used to clean out catch basins in the subway system and also for ballast recovery purposes. Maintenance personnel are often unable to effectively use the 3-hour maintenance window because the 8 cubic yard collection tank fills quickly and there is insufficient time to empty it out (at Wilson yard) and then return to the job site. Furthermore, RT-6 does not have the high-pressure water jetting (rodding) equipment required to clean out blockages in drain pipes. The existing vehicle structure is too small to allow upgrading of the equipment to address the above deficiencies.

Work Order #7575 was approved to replace RT-6 with a self-propelled, diesel powered vacuum vehicle for jet-rodding and flushing of clogged drains and for cleaning out catch basins. A higher capacity vacuum pump will improve sewer and ballast collecting capabilities, while a larger (20 cubic yard) holding tank will allow the users to maximize their use of the 3-hour maintenance window.

Rail Cars & Shops, Maintenance Engineering, has designed the propulsion system, identified and procured major components (e.g. trucks, cabs, engine, H.P. water pump), developed a conceptual design and a specification for the supply of this replacement vehicle. The specification, issued under RFP #P31PK04852, identifies the requirements and work involved to develop the detailed engineering designs, incorporating the above components, in addition to supplying, assembling and installing the remaining components/systems as required to complete the vehicle and deliver it to TTC.

There will be no loss of availability from service during this project, since we can continue to use the existing RT-6 until its replacement arrives.

DISCUSSION

Seventeen (17) companies were invited to submit proposals, out of which four (4) companies submitted tenders. Arva submitted the lowest priced proposal, as summarized in appendix A and did not include any exceptions or qualifications.

Arva has performed work of similar size and nature for the Commission in the past and their submission

is considered to be commercially and technically acceptable. The Agreement to Bond submitted by Arva covers the requested Performance Bond. The Security Company noted on the tender is licensed to transact business under the Insurance Act of Ontario.

Tor Truck Corporation (Tor-Truck) submitted the second lowest priced proposal. However, both the Bid Bond and the Agreement to Bond included in the submission were issued in the name of R.P.M. Tech Inc. of Cap-Sante/Quebec. Within the submitted documents there is a mention that R.P.M. has its engineering facilities at Tor-Truck and the annual 2003 report shows Tor-Truck as an affiliate of R.P.M. and 100% owned by R.P.M. The Bid Bond also included an Appendix for performance exclusion Clause. Their proposal is considered non-compliant.

Diesel Electric Services submitted the third lowest priced proposal and also did not state any exceptions or qualifications and their Proposal is considered commercially acceptable.

JUSTIFICATION

The existing vacuum vehicle (RT-6) does not have the capacity nor water-jetting capability required for rehabilitation of the TTC's complex drainage network. Consequently, this work has to be contracted to an outside service.

A larger volume vacuum vehicle equipped with water-jet equipment will enable the Track & Structures department to do the same work currently being performed by an outside contractor at a cost of approximately $800,000 per year.

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September 28, 2004
6-192
Attachments: Appendix A - Summary of Proposals
Appendix B - Sketch 1 - RT-6 and RT-56 Comparison

APPENDIX 'A'

PROCUREMENT AUTHORIZATION:
DESIGN, FABRICATION AND ASSEMBLY OF A RAIL
NON-REVENUE VEHICLE –VACUUM RODDER (RT-56)

SUMMARY OF PROPOSALS

Base Bid

1. Arva Industries Inc. $792,951.41

2. Tor Truck Corporation $1,431,520.00

3. Diesel Electric Services $1,485,557.57

4. Harsco Truck Technologies* $931,305.00 U.S.

Preliminary Estimate $700,000.00

* Harsco Truck Technologies submitted its proposal in US Dollars excluding taxes and scratched out the part of the Form of Proposal that states "in Canadian funds, which includes all applicable taxes, allowances, and all other costs" in relation to the price. This caused their price to be undetermined. Harsco also stated that their bid is contingent upon credit approval and upon Harsco and the Commission agreeing on Contractual Language. Their proposal is therefore considered non-compliant.