

**MEETING DATE:** September 22, 2004

**SUBJECT:** Procurement Authorization - Preventive And Corrective Maintenance Of The Compressed Natural Gas (Cng) Bus Fuelling Station At Wilson Complex

### **RECOMMENDATION**

It is recommended that the Commission authorize the award of a contract to FAB Industries Inc., in the amount of \$478,004.42, for preventive and corrective maintenance of the compressed natural gas (CNG) bus fuelling station at Wilson Complex, for a period of one year from October 1, 2004 to September 30, 2005.

### **FUNDING**

Sufficient funds for 2004 expenditures are included in the 2004 TTC Operating Budget. Sufficient funds will be provided in the 2005 TTC Operating Budget as required.

### **BACKGROUND**

The Commission's CNG bus fleet has been stored, maintained and fuelled at Wilson Complex since 1991. The fuelling plant at Wilson Complex compresses the natural gas to a high pressure and then delivers the gas into buses at a fast rate to minimize fuelling time for the buses.

With only one CNG fuelling plant, the necessary skills and experience required for preventive and corrective maintenance of the compressors, air dryer, gas detection system, buffer panel, dispensers and computerized control software have been contracted out.

### **DISCUSSION**

Specifications were prepared and nine companies were invited to submit proposals in addition to the public advertisement on the Commission's web site on June 1, 2004. Two companies submitted proposals as summarized in Appendix 'A'.

MCI Inc. submitted the lowest priced proposal, however, the following exceptions/ qualifications to the TTC terms and conditions were indicated in their submission:

- Offered a 30-day warranty in lieu of specified 90 days for parts and labour;
- Right to discontinue the contract by MCI;
- Included additional training for the compressor with no details;
- Incomplete pricing sheet for corrective maintenance.

Based on the above-noted exceptions and discrepancies, MCI Inc.'s submission is considered commercially non-compliant. Further, although they submitted the lowest proposal pricing, a total price cannot be determined due to the incomplete pricing for the corrective maintenance. The MCI Inc. submission is considered unacceptable and is not recommended for acceptance.

The submission from FAB Industries Inc. is fully compliant with no exceptions/qualifications stated. FAB

Industries Inc. has performed well on the current contract and previous maintenance contracts with the Commission. They are considered commercially compliant and are recommended for award. The pricing from FAB Industries Inc. is approximately 13.8% lower than the current contract.

**JUSTIFICATION**

Preventive and corrective maintenance of the CNG fuelling plant at Wilson Complex is required to ensure reliable fuelling of the CNG bus fleet and to maintain the fuelling plant in a safe operating condition.

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August 24, 2004  
6-75-91  
Attachment: Appendix 'A'

**Appendix 'A'**

**PREVENTIVE AND CORRECTIVE MAINTENANCE OF THE COMPRESSED  
NATURAL GAS (CNG) BUS FUELLING STATION AT WILSON COMPLEX**

**TENDER SUMMARY**

<b>COMPANY NAME</b>	<b>TOTAL EVALUATED PRICE</b>
MCI Inc.	** \$386,285.00
FAB Industries Inc.	* \$478,004.42

\* Recommended for Award

\*\* Commercially Non-Compliant – Incomplete Bid