

Meeting Date: August 31, 2005

Subject: Supply Of GM Truck Parts

RECOMMENDATION

It is recommended that the Commission approve the issuance of a purchase order to Alex Irvine Motors Limited, in the total upset limit amount of \$325,000.00 for the supply of GMC parts for non-revenue vehicles for the period September 2, 2005 to September 1, 2008.

FUNDING

Funding for this service has been included in the 2005 TTC Operating Budget. Funding for 2006, 2007 and 2008 will be included in future Operating Budgets as required.

BACKGROUND

The Commission's Car & Truck Section has an on-going requirement for the expedient delivery of various non-stock GM car and truck parts to support repairs to the Commission's GMC fleet of non-revenue vehicles. The parts for non-revenue GMC vehicles are generally not carried in stock as they are normally available locally with same day delivery. However, a small quantity of the most commonly used parts is carried in inventory.

The current contract for the supply of these GMC parts will be expiring and a new contract is required.

DISCUSSION

A Request for Proposal (RFP) was issued to seven known suppliers in addition to an advertisement on the Commission's website on Wednesday, June 22, 2005. Six companies submitted proposals as summarized in Appendix 'A'.

The Commission's GMC fleet covers a variety of vehicles of different models and age and due to the vast number of different types of parts that may be used, it is not possible to accurately determine future parts usage. Therefore, the proponents were requested to provide their mark-up/discount on the published price list titled "Dealer's Cost" issued by GMC Canada. In addition, they were requested to provide delivery details such as hours of operation and delivery lead-times. To determine the evaluated proposal price, the mark-up from each proponent was applied to the estimated value of the expenditures to be made under this contract.

Alex Irvine Motors Limited (Alex Irvine) offered the lowest pricing by providing a mark up of 3.0% on the dealer's cost. Alex Irvine's hours of operation and delivery lead times are acceptable. Alex Irvine did not state any exceptions or qualifications to the Commission's terms and conditions, and their proposal is considered commercially acceptable. Alex Irvine is recommended for award for the three-year supply contract in the upset limit amount of \$325,000.00.

West York Chev Inc. (West York) and Roy Foss Motors (Roy Foss) both offered the second lowest pricing by providing a mark up of 5.0% on the dealer's cost. Their proposals did not state any exceptions or qualifications to the Commission's terms and conditions, and are considered commercially compliant. The delivery details for West York are considered acceptable, however Roy Foss' delivery details are considered not acceptable as they cannot deliver parts to TTC after 2:00 p.m.

The other proponents submitted higher mark-ups on the dealer cost and did not state any exceptions or qualifications to the Commission's terms and conditions. Their proposals are considered commercially compliant

The pricing submitted by Alex Irvine represents an increase of 3% over the current contract pricing.

Based on the historical expenditures of the current contract, approximately \$325,000.00 will be required to cover the three-year period for this contract, which includes an allowance of approximately 20% for variation in usage over the contract term.

JUSTIFICATION

Award of the above-mentioned contract will ensure the uninterrupted supply of GMC parts for non-revenue Commission vehicles.

August 17, 2005

9-118-32

Attachment: Appendix 'A'

APPENDIX 'A'

SUPPLY OF GM TRUCK PARTS

PROPOSAL SUMMARY

<u>Proponent</u>	<u>Evaluated Proposal Price</u>
Alex Irvine Motors	\$278,248.32 *
Roy Foss Motors	\$283,651.20
West York Chev Olds	\$283,651.20
Humberview Motors	\$289,054.08
City Buick Pontiac	\$291,755.52
Brennan Pontiac Buick	\$297,158.40

* Recommended for award