

MEETING DATE: February 9, 2005

SUBJECT: Purchase Of CLRV Truck Suspension Parts

RECOMMENDATION

It is recommended that the Commission authorize the issuance of a purchase order to Bombardier Incorporated in the amount of \$857,625.84 for plates, rings, pistons, clamps and springs (160 of each type) that will be used for CLRV truck suspension.

FUNDING

Sufficient funds for these truck suspension expenditures have been included in Project 4.15, under Life Extension of Canadian Light Rail Vehicles (CLRV) as set out on pages 1035 to 1040 – category State of Good Repair /Safety as approved by the Commission on November 17, 2004.

BACKGROUND

The subject truck suspension items will be used as part of the 2005 CLRV truck overhaul program. The 5 items required are manufactured by Firestone Industrial Products and only sold through Firestone's distributors.

DISCUSSION

On November 11, 2004, nine companies were invited to submit tenders, coupled with an advertisement on the TTC internet website. Two companies submitted tenders as summarized in Appendix 'A'.

Bombardier Incorporated submitted the lowest price for each part type.

The tender called for 5 part types of which 160 pieces of each are required.

During pricing evaluation the first part type is being ordered for the first time, therefore no pricing comparison is available. The price of the second part type is 26% lower than the previous purchase from Bombardier in October 2003 mainly due to the much larger order quantity. The price of the third part type is 39% higher than the previous purchase from Bombardier in November 2003. The price of the fourth part type is 48% lower than the previous purchase from Bombardier in October 2003. The fifth part type is 24% lower than the previous purchase from Rose Rail Components Inc. in August 2003. The previous purchases in each case, was for a smaller quantity.

Staff investigated the reason for the large price increase on the third part type and was advised by the supplier that the previous purchase of this part type was 15 year old stock and tooling to produce this material no longer exists. The new pricing is based on Firestone Industrial Products requirement for new tooling and the current market conditions (i.e. the increased price of metals).

Baker Transit Parts were not the lowest priced tender for any part type, therefore they are not recommended for award of any part type.

JUSTIFICATION

These truck suspension items are required in order to support the Commission's CLRV truck overhaul program for 2005.

January 12, 2004
9-117-65
Attachment - Appendix 'A'

APPENDIX 'A'

PURCHASE OF CLRV TRUCK SUSPENSION
PARTS

<u>ITEM #</u> <u>NAME</u>	<u>BOMBARDIER INCORPORATED</u>	<u>BAKER TRANSIT</u> <u>PARTS</u>
1 Plates	\$ 198,190.08	\$ 207,248.40
2 Rings	\$ 184,667.92	\$ 193,111.68
3 Pistons	\$ 258,529.20	\$ 270,340.16
4 Clamps	\$ 161,079.12	\$ 168,440.96
5 Springs	\$ 55,159.52	\$ 57,682.16