

**MEETING DATE:** JUNE 22, 2005

**SUBJECT:** Purchase Of Recaro Seat Parts

### **RECOMMENDATION**

It is recommended that the Commission authorize the award of two-year inventory supply contracts for the supply of various Recaro seat parts to the following companies for the period from June 2005 to June 2007:

- Neopart for \$277,000 including applicable taxes.
- Baker Transit Parts for \$4,600 including applicable taxes.

### **FUNDING**

Sufficient funds have been included in the 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 Recaro parts are used for maintenance of the Commission's revenue vehicle driver seats. Several examples include pneumatic lumbar switches, lumbar bladders, backrest foam and air bladder repair kits.

### **DISCUSSION**

Tenders were invited from ten known companies coupled with an advertisement on the TTC internet website on February 2, 2005. Six companies submitted proposals as summarised in Appendix 'A'.

The tender called for 54 pre-approved part types. Tenderers were also advised that alternatives would not be considered during the evaluation. A total of 41 part types are being recommended for award. The 13 part types that are not being recommended for award are comprised of 12 part types where price increases were deemed excessive by staff and 1 part type that will require further investigation by staff.

Neopart submitted prices on 52 part types and has the lowest price on 44 part types. A quantity of 6 part types were deselected by staff due to excessive price increases which are deemed unacceptable by staff. They are also recommended to be awarded 1 part type which they are the second lowest price. This part type was removed from Gillig Corporation due to comparing the savings of administration costs. They are recommended to be awarded an upset limit contract for \$277,000 for 38 part types.

Baker Transit Parts submitted prices on 52 part types and has the lowest price on 3 part types. They are recommended to be awarded an upset limit contract for \$4,600 for these 3 part types.

Gillig Corporation submitted prices on 52 part types and has the lowest price on 1 part type, however the difference between their tender and the next lowest tender, Neopart, is less than \$2. Based on this, staff have recommended that Neopart be awarded this part as the savings noted would not be offset by the administration costs of having a separate contract for this one part type.

Orion Bus Industries Limited submitted prices on 53 part types and has the lowest price on 6 part types. A quantity of 5 part types were deselected by staff due to excessive price increases which are deemed unacceptable by staff. Further, they advised that there was a part number correction required on the remaining 1 part type where they are the only tender received. Staff will investigate this part and it may subsequently be the subject of a future tender.

The remaining companies all submitted pricing; however they did not have the lowest price on any of the part types.

Each contract includes approximately 15% 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 two-year inventory supply contracts are approximately 4% higher in the first year of the contract compared to current pricing. The pricing is approximately 4% higher in year two based on year one prices.

**JUSTIFICATION**

These Recaro seat parts are required in order to support varying vehicle maintenance needs.

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May 31, 2005

9-123-55

Attachment – Appendix “A”

**APPENDIX "A"**

<b><u>Tenderer</u></b>	<b><u>No. of Items Priced</u></b>	<b><u>Amount Tendered</u></b>	<b><u>No. of Items Recommended</u></b>	<b><u>Recommended Upset Limit Amount</u></b>
Neopart	52	\$943,063.79	38	\$ 277,000
Baker Transit Parts	52	\$930,769.98	3	\$ 4,600
Gillig Corporation	52	\$931,803.50	-	\$ -
Orion Bus Industries Limited	53	\$920,267.46	-	\$ -
MCI Service Parts Company	48	\$768,593.69	-	\$ -
New Flyer	52	\$969,427.79	-	\$ -