

MEETING DATE: JUNE 22, 2005

SUBJECT: Purchase Of Rubber Flooring Parts

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of various rubber flooring parts for the period June 2005 to June 2008 to the following companies:

- North American Transit Supply Corporation for an upset limit of \$252,000 including applicable taxes.
- Industrial Hose & Hydraulics Limited for an upset limit of \$51,000 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 parts are primarily used to maintain the Commission's bus floors. Several examples include step treads, flooring and pads.

DISCUSSION

Proposals were invited from eleven known companies coupled with an advertisement on the TTC internet web site on April 1, 2005. Six companies submitted proposals as summarized on Appendix 'A'.

The proposal called for 16 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. A total of 8 part types are being recommended for award. The 8 part types are not being awarded because they were found to be a single source to the original equipment manufacturer. These parts will be the subject of a future proposal.

North American Transit Supply Corporation submitted prices on 5 part types and has the lowest price on these 5 part types. They are recommended to be awarded an upset limit contract for \$252,000.

Industrial Hose & Hydraulics Limited submitted prices on 3 part types and has the lowest price on these 3 part types. They are recommended to be awarded an upset limit contract for \$51,000.

Prevost Parts Incorporated submitted prices on 6 part types. However, their proposal was not priced in accordance to the Proposal's Price Schedule in that there was an obvious error in the pricing. Therefore their proposal could not be considered further.

MCI Service Parts Incorporated submitted prices on 5 part types. Their proposal was submitted without a

submission requirement of stating lead-times, thereby rendering their proposal non-compliant and not considered further.

The R.C.A. Rubber Company submitted prices on 5 part types. Their pricing was not firm thereby rendering their proposal non-compliant and not considered further.

I.R.P Industrial Rubber Limited submitted prices on 3 part types. Their proposal was submitted without submission requirement of stating lead-times, thereby rendering their proposal non-compliant and not considered further.

These contracts include approximately 20% contingency for variances between forecasted and actual usage and new parts yet to be identified which may be added to the contract during the contract term.

The pricing received for this new three-year inventory supply contract is approximately 4% lower in the first year based on current prices. The pricing will be approximately 3% higher in year two based on year one prices and approximately 3% higher in year three based on year two prices.

JUSTIFICATION

These rubber flooring parts are required in order to support the Commission bus flooring maintenance needs.

May 19, 2005
9-123-55
Attachment – Appendix “A”

APPENDIX 'A'

<u>Proponent</u>	<u>No. of Items Priced</u>	<u>Amount Proposed</u>	<u>No. of Items Recommended</u>
North American Transit Supply Corporation	5	\$209,977.54	5
Industrial Hose & Hydraulics Limited	3	\$ 42,202.54	3
Prevost Parts Incorporated	6	\$282,234.89	0
MCI Service Parts Incorporated	-	-	-
The R.C.A. Rubber Company	-	-	-
I.R.P. Industrial Rubber Limited	-	-	-

NOTE:

The following companies were unable to quote:

- Reliable Bearing Company Limited
- Baker Transit Parts Incorporated