

MEETING DATE: October 19, 2005

SUBJECT: Purchase Of Alrv Axles

RECOMMENDATION

It is recommended that the Commission authorize the issuance of a purchase order to Penn Machine Company in the amount of \$322,878.52 (CDN) for 166 ALRV streetcar axles for inventory.

FUNDING

Sufficient funds for these streetcar axles have been included in Project 4.15 under Streetcar Overhaul as set out on pages 1033 to 1044 – ALRV Midlife Overhaul Program, category State of good repair/Safety, in the TTC's 2005-2009 Capital Program approved the City of Toronto Council on February 23, 2005.

BACKGROUND

The subject axles are used on the Commission's ALRV streetcar fleet. It is estimated that between 2005 and 2007, these 166 axles will be required to support overhaul needs.

Staff determined that there was a need to replace these axles, as part of the ALRV Midlife Overhaul Program.

DISCUSSION

Tenders were invited from four companies coupled with an advertisement on the TTC internet website on August 30, 2005. Tenderers were requested to quote pricing to include delivery lead time for the first 110 pieces and were advised that 56 pieces to be delivered in December 2006. Three companies submitted tenders as summarized in Appendix 'A'.

Triocel Incorporated submitted the lowest priced tender. Their tender noted an exception to the Commission's Tender Validity clause by stating their offer was only valid for 60 days, whereas the TTC specified 90 days. Therefore, their tender is considered commercially non-compliant and will not be considered for award.

Penn Machine Company submitted the second lowest priced tender and did not state any exceptions or qualifications to the Commission's terms and conditions. Penn Machine Company's quoted unit price is approximately 1% lower than the previous purchase in June 2005 from Penn Machine Company for a lesser quantity.

ORX submitted the highest priced tender and did not state any exceptions or qualifications to the Commission's terms and conditions. Their tender is considered commercially acceptable.

JUSTIFICATION

These axles are required in order to support the Commission's ALRV Midlife Overhaul Program needs.

October 5, 2005

9-118-63

Attachment – Appendix 'A'

APPENDIX 'A'
PURCHASE OF ALRV AXLES
COST SUMMARY

<u>COMPANY</u>	<u>TOTAL VALUE</u>
Triocel	\$271,841.60
Penn Machine Company *	\$322,878.52
ORX	\$370,918.70

*** Recommended for Award**