

MEETING DATE: APRIL 19, 2006

SUBJECT: Notice Of Award - Purchase Of 1500 MCM Cable

RECOMMENDATION

It is recommended that the Commission receive the notice of award of Chair Moscoe, Vice Chair Giambrone and the Chief General Manager authorizing the award for inventory of a contract to Anixter Canada Incorporated for the supply of 10,000 feet of 1500 MCM Cable in the amount of \$293,250.00 including applicable taxes.

FUNDING

Sufficient funds for this expenditure have been included in the 2006 TTC Operating Budget and in the TTC 2006-2010 Capital Program under the following Capital Projects:

- 1.2 Surface Track Replacement Program, as set out on pages 69 to 71 – category State of Good Repair/Safety;
- 1.2 Reserved Transit Lanes on St. Clair Avenue, as set out on pages 81 to 83 – category Improvement;
- 2.1 Overhead Pole Replacement, as set out on pages 99 to 103 – category State of Good Repair/Safety;
- 2.1 Replace/Rebuild Rectifier Transformers, as set out on pages 123 to 126 – category State of Good Repair/Safety

as approved by the City Council on December 12, 2005. This inventory materials will be charged to the appropriate budget as the time of issuance from Stores.

BACKGROUND

At its meeting of July 13, 2005, the Commission approved the revisions and updates to the Authorization for Expenditures Policy/Instructions, which states the *“The Commission delegates authority to the Chair, Vice-Chair and the Chief General Manager to authorize items on an interim basis that would normally be authorized by the Commission when the approval is required before the next Commission meeting. In the event that the Chair and/or Vice-Chair are not available, authority would be delegated to any 2 Commissioners and the Chief General Manager.”* These authorizations are to be followed up by a notice of award Commission report that is to be submitted to the next scheduled Commission meeting for information.

The subject 1500 MCM cable is used to provide power to the Commission’s substations which feed aerial feeder wires that in turn provides power necessary to operate the Commission’s streetcars.

DISCUSSION

Tenders were invited from thirteen known companies coupled with an advertisement on the TTC internet website on January 24, 2006. Three companies submitted tenders as summarized in Appendix ‘A’.

King Cable Canada submitted the lowest tendered price, however their submission had an exception

indicating that their price is not firm thereby rendering their submission as unacceptable.

Anixter Canada Incorporated submitted the second lowest tendered price. Their pricing is approximately 5% higher than that of King Cable Canada, however they have offered firm pricing and are therefore recommended for award.

Milrail Incorporated also offered firm pricing however they did not submit the lowest tendered price.

In order to determine whether the tender from King Cable Canada or Anixter Canada would represent the better value to the Commission, staff performed an analysis on the fluctuating base price of copper since the last purchase of this item in February 2005. Since February 2005, the base price of copper has escalated approximately 64%, or an average of 4.5% per month. Staff's analysis, based on the estimated copper base price at the time of delivery, concluded that acceptance of the firm price offered by Anixter Canada Incorporated would have a high degree of probability of being best offer to the Commission.

The price submitted by Anixter Canada Incorporated is approximately 37% higher than the previous order in 2005. This large increase in price is the product of large price increases in the copper industry mainly attributed to increasing demand in China.

JUSTIFICATION

This cable is required in order to support electrical power maintenance needs.

March 30, 2006

9-118-55

Attachment – Appendix 'A'

APPENDIX 'A'

PURCHASE OF 1500 MCM CABLE

TENDER SUMMARY

| TENDERER | TENDERED AMOUNT |
|------------------------------------|------------------------|
| King Cable Canada | \$279,036.00 * |
| Anixter Canada Incorporated | \$293,250.00 |
| Milrail Incorporated | \$325,023.81 |

* Price not Firm