

**MEETING DATE:** APRIL 19, 2006

**SUBJECT:** Purchase Of Filters

### **RECOMMENDATION**

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of various filters to the following companies for the period from May 2006 to May 2009:

- Harper Detroit Diesel for \$366,000 including applicable taxes.
- MCI Service Parts Incorporated for \$347,000 including applicable taxes.
- Puraire Incorporated for \$182,000 including applicable taxes.
- Napa Auto Parts # 136 for \$71,000 including applicable taxes.
- Freightliner Mid-Ontario Incorporated for \$47,000 including applicable taxes.
- British Auto for \$1,000 including applicable taxes.

### **FUNDING**

Sufficient funds to cover these items have been included in the 2006 TTC Operating Budget and will be included in future budgets as required. These inventory materials will be charged to the appropriate budget at the time of issuance from Stores.

### **BACKGROUND**

The subject filters are used for varying filtering needs throughout the Commission's vehicles and properties. Several examples include spray booth filters, fuel filters, oil filters, vehicle air filters and transmission oil filters.

### **DISCUSSION**

Proposals were invited from seventeen known companies coupled with an advertisement on the TTC internet website on January 25, 2006. Twelve companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 74 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 59 part types are being recommended for award. The 15 part types that are not being recommended for award are comprised of 14 part types where no

pricing was received. Staff will investigate these parts and will try other sources of supply for these items. There is 1 part type where pricing was deemed as excessive. Staff will review this part and it may be the subject of a future proposal.

Harper Detroit Diesel submitted prices on 29 part types and has the lowest price on 20 part types. They are recommended to be awarded an upset limit contract for \$366,000 for 20 part types.

Cummins Eastern Canada LP submitted prices on 10 part types and has the lowest price on 1 part type. However, the total three year value is approximately \$30 which is considered too low to justify the cost of administering a separate contract. As a result, staff assessed the option to award this part type to the next lowest proponent – Berco Automotive Supply Limited.

Berco Automotive Supply Limited submitted prices on 31 part types and has the lowest price on 1 part type. They are the second lowest price on 1 part type deselected from Cummins Eastern Canada LP. Both of these part types are not being recommended for award to Berco Automotive Supply Limited based on 1 part type's pricing being deemed excessive and 1 part type having a three-year total value of approximately \$30 respectively. Staff recommend awarding the latter to the third lowest price – MCI Service Parts Incorporated - since the total value of this part type is considered too low to justify the cost of administering a contract.

MCI Service Parts Incorporated submitted prices on 16 part types and has the lowest price on 7 part types. They are the third lowest price on 1 part type that was deselected from Cummins Eastern Canada LP and Berco Automotive Supply Limited. Therefore, they are recommended to be awarded an upset limit contract for \$347,000 for 8 part types.

Puraire Incorporated submitted prices on 21 part types and has the lowest price on all 21 part types. They are recommended to be awarded an upset limit contract for \$182,000 for 21 part types.

Napa Auto Parts # 136 submitted prices on 8 part types and has the lowest price on 4 part types. They are recommended to be awarded an upset limit contract for \$71,000 for 4 part types.

Freightliner Mid-Ontario submitted prices on 18 part types and has the lowest price on 5 part types. They are recommended to be awarded an upset limit contract for \$47,000 for 5 part types.

British Auto submitted prices on 31 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$1,000 for 1 part type.

Metro International Toronto Incorporated submitted prices on 35 part types, however their proposal was incomplete as it did not contain the required lead times thereby rendering their proposal as non-compliant and was not considered further.

Vaughan Automotive Supplies submitted prices on 6 part types, however they did not have the lowest price on any of the part types.

Fort Garry Industries Limited submitted prices on 39 part types, however their pricing was based on alternatives thereby rendering their proposal as non-compliant and was not considered further.

Allmake Select Auto Parts Incorporated submitted prices on 31 part types, however their proposal was incomplete as it did not contain the required lead times rendering their proposal as non-compliant and was not considered further.

Each contract includes approximately 20% 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 three-year inventory supply contracts are approximately 19% lower in the first year of the contract. The pricing will be approximately 4% higher in year two based on year one pricing and approximately 4% higher in year three based on year two pricing.

**JUSTIFICATION**

These filters are required for varying filtering needs throughout the Commission's vehicles and properties.

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March 29, 2006

9-118-55

Attachment – Appendix 'A'

APPENDIX 'A'

PURCHASE OF FILTERS

PROPOSAL SUMMARY

<b>PROPONENT</b>	<b>NO. OF ITEMS PRICED</b>	<b>AMOUNT PROPOSED</b>	<b>NO. OF ITEMS RECOMMENDED</b>	<b>R</b>
<b>Harper Detroit Diesel</b>	29	\$ 707,998.81	20	
<b>MCI Service Parts Incorporated</b>	16	\$ 395,834.46	8	
<b>Puraire Incorporated</b>	21	\$ 152,052.63	21	
<b>Napa Auto Parts #136</b>	8	\$ 178,079.59	4	
<b>Freightliner Mid-Ontario Incorporated</b>	18	\$ 748,013.66	5	
<b>British Auto</b>	31	\$ 712,361.02	1	
<b>Cummins Eastern Canada LP</b>	10	\$ 87,441.21	--	
<b>Berco Automotive Supply Limited</b>	31	\$ 544,684.54	--	
<b>Metro International Toronto Incorporated*</b>	35	\$ 789,853.16	--	
<b>Vaughan Automotive Supplies</b>	6	\$ 385,121.38	--	
<b>Fort Garry Industries Limited**</b>	39	\$ 661,580.26	--	
<b>Allmake Select Auto Parts Incorporated*</b>	31	\$1,194,321.09	--	

\* Submitted incomplete proposals rendering their submission non-compliant.

\*\* Submitted proposals on alternatives rendering their submission non-compliant.