
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: DECEMBER 13, 2006

SUBJECT: Purchase of Haldex Parts

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of Haldex parts to the following companies for the period from March 2007 to March 2010:

- Daimler Chrysler Commercial Buses North America Limited for \$3,600,000 including applicable taxes.
- Baker Transit Parts for \$696,000 including applicable taxes.
- New Flyer Industries Limited for \$24,000 including applicable taxes.
- Mohawk Mfg. & Supply Company for \$1,300 including applicable taxes.

FUNDING

Sufficient funds have been included in the proposed 2007 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 used to maintain the Commission's bus braking system. Several examples of these parts are front and rear and left and right side slack adjusters, drain valve kits and air dryer heating elements.

DISCUSSION

Proposals were invited from twenty known companies coupled with an advertisement on the TTC internet website on September 22 2006. Eleven companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 45 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. All 45 part types are being recommended for award.

Daimler Chrysler Commercial Buses North America Limited (formerly Orion Bus Industries Limited) submitted prices on 45 part types and has the lowest price on 39 part types. They are recommended to be awarded an upset limit contract for \$3,600,000 for 39 part types.

Baker Transit Parts submitted prices on 43 part types and has the lowest price on 3 part types. They are recommended to be awarded an upset limit contract for \$696,000 for 3 part types.

New Flyer Industries Limited submitted prices on 42 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$24,000 for 1 part type.

MCI Service Parts Incorporated submitted prices on 45 part types and has the lowest price on 1 part type of which the total value was approximately \$400 for three years. The next lowest price received was from Mohawk Mfg. & Supply Company and is approximately \$90 more over the three years. Staff deems the administrative costs associated with award of a single master order for just this 1 part type would exceed the noted \$90, hence staff recommend awarding this part type to the next lowest proponent - Mohawk Mfg. & Supply Company.

Mohawk Mfg. & Supply Company submitted prices on 40 part types and has the lowest price on 1 part type and the second lowest price on the one part type deselected from MCI Service Parts, Incorporated. They are recommended to be awarded an upset limit contract for \$1,300 for 2 part types.

The remaining six companies all submitted prices however they did not have the lowest price on any part types.

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 12% lower in the first year of the contract. The pricing is approximately 4% higher in year two based on year one prices and approximately 4% higher in year three based on year two prices.

JUSTIFICATION

These Haldex parts are required in order to support bus braking system maintenance needs.

November 23, 2006
9-118-41
- Appendix 'A'

APPENDIX 'A'

PURCHASE OF HALDEX PARTS

COST SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO.OF ITEMS RECOMMENDE
Daimler Chrysler Commercial Buses North America Limited	45	\$3,665,489.66	39
Baker Transit Parts	43	\$4,390,795.14	3
New Flyer Industries Limited	42	\$3,939,804.58	1
Mohawk Mfg. & Supply Company	40	\$4,099,743.46	2
Harper Detroit Diesel Limited	43	\$5,036,278.08	--
Prevost Parts	35	\$4,140,465.94	--
Gillig Corporation	44	\$3,999,535.28	--
Fort Garry Industries	42	\$5,197,127.06	--
MCI Service Parts Incorporated	45	\$4,139,368.38	--
Western Toronto International Trucks Inc.	43	\$6,110,953.25	--
Neudoerffer Truck Supply Inc.	42	\$5,124,289.74	--