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Form Revised: February 2005

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**TORONTO TRANSIT COMMISSION  
REPORT NO.**

**MEETING DATE:** January 25, 2006

**SUBJECT:** Purchase Of 100 Lb Rail

**RECOMMENDATION**

It is recommended that the Commission authorize the issuance of a purchase order for the supply of two types of subway rail to Vae Nortrak Limited in the total amount of \$415,138.79 including applicable taxes, for inventory.

**FUNDING**

Sufficient funds have been included in the proposed 2006 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 rail is used to maintain the Commission's subway track system for running subway vehicles (i.e. 100 lb – HH and 3HB). The rail is used for straight tangent sections.

**DISCUSSION**

Tenders were invited from thirteen known companies coupled with an advertisement on the TTC internet website on December 6, 2005. Three companies submitted tenders as summarized in Appendix 'A'.

The Request for Tenders called for 2 pre-approved rail types. Tenderers were advised that alternatives would not be considered during the evaluation. Pricing was received for both rail types. Both rail types are

being recommended for award.

Vae Nortrak submitted the lowest pricing for each of the two rail types. Their tender stated no exceptions or qualifications to the Commission's terms and conditions. They are recommended to be awarded a contract totalling \$415,138.79.

The pricing received is approximately 39% higher and 32% higher than the previous purchases in February 2005 and November 2004, respectively.

Based on changes in the price of steel rail on two price indices and information obtained from the previous supplier, steel rail prices have increased by approximately 50% over the past two years.

The tenders received from L.B. Foster and M.F. Wirth included higher pricing for each of the two rail types than VAE Nortrak.

### **JUSTIFICATION**

These rail types are required in order to support subway track maintenance needs.

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December 28, 2005

9-123-63

Attachment – Appendix 'A'

**APPENDIX 'A'**  
**PURCHASE OF 100 lb RAIL**  
**TENDER SUMMARY**

**ITEM # 1 - 100lb 3HB Rail**

| <b><u>Vendor</u></b>        | <b><u>Total Cost</u></b> | <b><u>Recommended</u></b> |
|-----------------------------|--------------------------|---------------------------|
| <b>Vae Nortrak Ltd.</b>     | \$ 189,402.70            | <b>\$ 189,402.70</b>      |
| L.B. Foster Company         | \$ 190,670.00            |                           |
| M.F. Wirth Rail Corporation | \$ 190,900.00            |                           |

**ITEM #2 - 100lb HH Rail**

| <b><u>Vendor</u></b>        | <b><u>Total Cost</u></b> | <b><u>Recommended</u></b> |
|-----------------------------|--------------------------|---------------------------|
| <b>Vae Nortrak Ltd.</b>     | \$ 225,736.09            | <b>\$ 225,736.09</b>      |
| L.B. Foster Company         | \$ 227,441.25            |                           |
| M.F. Wirth Rail Corporation | \$ 227,700.00            |                           |

**TOTAL COST** **\$ 415,138.79**