

**MEETING DATE:** JUNE 21, 2006

**SUBJECT:** Purchase Of Lamps

### **RECOMMENDATION**

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

- Powertrade Electric Limited for \$420,000 including applicable taxes.
- Paul Wolf Electric for \$165,000 including applicable taxes.
- Litemor for \$98,000 including applicable taxes.
- House of Electrical Supplies for \$73,000 including applicable taxes.
- Bibico Electric Incorporated for \$56,000 including applicable taxes.
- Westburne Ruddy Electric for \$21,000 including applicable taxes.
- MCI Service Parts, Incorporated for \$14,000 including applicable taxes.
- Robertson Electric Wholesale for \$3,000 including applicable taxes.
- British Auto Supply for \$1,000 including applicable taxes.
- Wesco Distribution Canada LP 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 lamps are used for varying lighting maintenance needs on the Commission's vehicles and properties. Several examples include fluorescent lamps, miniature lamps and incandescent lamps.

### **DISCUSSION**

Proposals were invited from nineteen known companies coupled with an advertisement on the TTC internet website on March 6, 2006. Eighteen companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 185 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 181 part types are being recommended for award. The 4 part types that are not being recommended for award are comprised of 3 part types where the only pricing received was in a non-compliant format and 1 part type that had no pricing received. Staff will investigate the latter and will try other sources of supply for this item.

During a preliminary evaluation, it was determined that more than one proponent had submitted the same price for 28 part types. Staff have recommended awards based on the proponents who have the better delivery performance with the Commission.

Powertrade Electric Limited submitted prices on 175 part types and has the lowest compliant price on 49 part types, which includes 1 part type de-selected from House of Electrical Supplies. They are recommended to be awarded an upset limit contract for \$420,000 for 49 part types.

House of Electrical Supplies submitted prices on 178 part types and has the lowest price on 32 part types. However, their proposal did not contain the required lead times on 5 part types rendering those part types as non-compliant. Of these 5 parts, they are the only proponent to offer pricing on 3 part types. In addition, 1 part type's pricing was determined to be significantly lower in price when compared to previous pricing, thereby rendering this as an obvious error. As a result, staff recommends the award of this part type to be the next lowest proponent – Powertrade Electric Limited. Therefore, they are recommended to be awarded an upset limit contract for \$73,000 for 26 part types.

Paul Wolf Electric submitted prices on 152 part types and has the lowest compliant price on 27 part types. They are also being recommended for the award of 1 other part type de-selected from O'Neil Electric Supply Limited. Therefore, they are recommended to be awarded an upset limit contract for \$165,000 for 28 part types.

O'Neil Electric Supply Limited submitted prices on 74 part types and has the lowest compliant price on 1 part type. However, the total three year value is approximately \$200 which would not warrant the issuance of a separate contract hence this part was not considered further. As a result, staff recommends the award of this 1 part type to the next lowest proponent – Paul Wolf Electric.

Itemor submitted prices on 157 part types and has the lowest compliant price on 49 part types. They are recommended to be awarded an upset limit contract for \$98,000 for 49 part types.

Bibico Electric Incorporated submitted prices on 181 part types and has the lowest compliant price on 14 part types, which includes 1 part type de-selected from Westburne Ruddy Electric. They are recommended to be awarded an upset limit contract for \$56,000 for 14 part types.

Westburne Ruddy Electric submitted prices on 49 part types and has the lowest price on 4 part types. However, 1 part type's pricing was determined to be significantly lower in price when compared to previous pricing, thereby rendering this as an obvious error. As a result, staff recommends the award of this part type to the next lowest proponent – Bibico Electric Incorporated. Therefore, they are recommended to be awarded an upset limit contract for \$21,000 for 3 part types.

MCI Service Parts, Incorporated submitted prices on 47 part types and has the lowest compliant price on 9 part types. They are recommended to be awarded an upset limit contract for \$14,000 for 9 part types.

Robertson Electric Wholesale submitted prices on 137 part types and has the lowest compliant price on 1 part type. They are recommended to be awarded an upset limit contract for \$3,000 for 1 part type.

British Auto Supply submitted prices on 86 part types and has the lowest price on 3 part types. Of these 3 part types, 1 part type's pricing was based on an alternative rendering that part type as non-compliant. Their proposal also contained a qualification, whereby they have offered a minimum order quantity on another 1 part type. Staff reviewed this and considered it unacceptable and was not considered further. As a result, staff recommends the award of this 1 part type to the next lowest proponent – Wesco Distribution Canada LP. Therefore, British Auto Supply is recommended to be awarded an upset limit contract for \$1,000 for 1 part type.

Wesco Distribution Canada LP submitted prices on 148 part types and has the lowest compliant price on 1 part type, which is the 1 part type de-selected from British Auto Supply. They are recommended to be awarded an upset limit contract for \$1,000 for 1 part type.

Davies Auto Electric Limited submitted prices on 45 part types, however they are not the lowest price on any of those part types.

Nedco Division of Rexel submitted prices on 151 part types, however they are not the lowest price on any of those part types.

Graybar Electric submitted prices on 90 part types, however they are not the lowest price on any of those part types.

Harwell Electric Supply submitted prices on 173 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.

Hesco Electric submitted prices on 169 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.

Wes Garde Component did not submit the required hard copy of the Price Schedule 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 15% lower in the first year of the contract. The pricing will be less than 1% higher in year two based on year one pricing and less than 1% higher in year three based on year two pricing.

## **JUSTIFICATION**

These lamps are required in order to support varying lighting maintenance needs within the Commission's vehicles and properties.

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May 31, 2006  
9-118-55  
- Appendix 'A'

**APPENDIX 'A'**  
**PURCHASE OF LAMPS**

**PROPOSAL SUMMARY**

<b>PROPONENT</b>	<b>NO. OF ITEMS PRICED</b>	<b>AMOUNT PROPOSED</b>	<b>NO. OF ITEMS RECOMMENDED</b>	<b>RECOMMENDED UPSET LIMIT AMOUNT</b>
<b>Powertrade Electric Limited</b>	<b>175</b>	<b>\$830,335.60</b>	<b>49</b>	<b>\$420,000.00</b>
<b>Paul Wolf Electric</b>	<b>152</b>	<b>\$1,472,367.94</b>	<b>28</b>	<b>\$165,000.00</b>
<b>Litemor</b>	<b>157</b>	<b>\$841,998.32</b>	<b>49</b>	<b>\$98,000.00</b>
<b>House of Electrical Supplies</b>	<b>178</b>	<b>\$846,232.42</b>	<b>26</b>	<b>\$73,000.00</b>
<b>Bibico Electric Incorporated</b>	<b>181</b>	<b>\$924,022.97</b>	<b>14</b>	<b>\$56,000.00</b>
<b>Westburne Ruddy Electric</b>	<b>49</b>	<b>\$593,772.63</b>	<b>3</b>	<b>\$21,000.00</b>
<b>MCI Service Parts, Incorporated</b>	<b>47</b>	<b>\$373,747.53</b>	<b>9</b>	<b>\$14,000.00</b>
<b>Robertson Electric Wholesale</b>	<b>137</b>	<b>\$748,043.36</b>	<b>1</b>	<b>\$3,000.00</b>
<b>British Auto Supply</b>	<b>86</b>	<b>\$589,917.27</b>	<b>1</b>	<b>\$1,000.00</b>
<b>Wesco Distribution Canada LP</b>	<b>148</b>	<b>\$851,737.46</b>	<b>1</b>	<b>\$1,000.00</b>
O'Neil Electric Supply Limited	74	\$401,371.19	--	--
Davies Auto Electric Limited	45	\$192,117.69	--	--
Nedco Division of	151	\$552,236.01	--	--

Rexel				
Graybar Electric	90	\$647,845.09	--	--
Harwell Electric Supply	173	\$794,264.44	--	--
Hesco Electric	169	\$833,213.07	--	--
Wes Garde Component *	--	--	--	--
Prevost Parts Incorporated **	--	--	--	--

\* Non-compliant as they did not submit the required hard copy of the Price Schedule

\*\* Unable to Quote