

While every effort is made to ensure the accuracy of the contents of this site, users should be aware that due to circumstances beyond our control, it may be necessary to change the text of documents posted here and therefore no responsibility will be accepted by the Toronto Transit Commission for discrepancies which may occur between documents contained on this site and the formal hardcopy versions presented to the Commission.

If it is necessary to rely on the accuracy of Commission documents the Office of the General Secretary should be contacted at 393-3698 to obtain a certified copy. ONLY HARDCOPY RECORDS CERTIFIED BY THE GENERAL SECRETARY WILL BE DEEMED TO BE OFFICIAL.

Form Revised: September 1999

**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: MARCH 22, 2006

SUBJECT: Purchase Of Aeroquip Parts

RECOMMENDATION

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

- Orion Bus Industries Ltd. for \$231,000 including applicable taxes.
- Hose Hardware Inc. for \$61,000 including applicable taxes.
- Industrial Hose & Hydraulics Ltd. for \$24,000 including applicable taxes.
- DJ Industrial Sales for \$16,000 including applicable taxes.
- MCI Service Parts for \$1,200 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 Aeroquip parts are fittings and hoses used for varying bus, streetcar and subway car

maintenance needs. Several examples include split flange kits, external pipe elbows and hydraulic hoses.

DISCUSSION

Proposals were invited from twenty-six known companies coupled with an advertisement on the TTC internet website on January 5, 2006. Six companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 97 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 94 part types are being recommended for award. The 3 part types that are not being recommended for award are comprised of 3 part types where no pricing was received. Staff will investigate these parts and will try other sources of supply for these items.

Orion Bus Industries Ltd. submitted prices on 91 part types and has the lowest compliant price on this 40 part types. They are recommended to be awarded an upset limit contract for \$231,000 for these 40 part types.

Hose Hardware Inc. submitted prices on 91 part types and has the lowest price on 49 part types. They are also the lowest compliant proponent on 1 part type where MCI Service Parts Company submitted a non-compliant price therefore Hose Hardware Inc. are recommended to be awarded an upset limit contract for \$61,000 for 50 part types.

Industrial Hose & Hydraulics Ltd. submitted prices on 92 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 this 1 part type.

DJ Industrial Sales submitted prices on 91 part types and has the lowest price on 2 part types. They are recommended to be awarded an upset limit contract for \$16,000 for these 2 part types.

MCI Service Parts Company submitted prices on 25 part types and has the lowest price on 2 part types. Their proposal contained only one year pricing for 1 part type rendering this part as non-compliant hence it was not considered further. The lowest compliant proponent for this part type was Hose Hardware Inc. and they are being recommended for award of this part type. Therefore, MCI Service Parts Company are recommended to be awarded an upset limit contract for \$1,200 for 1 part type.

New Flyer Industries Limited submitted prices on 88 part types, however they are not the lowest price on any of those 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 17% lower in the first year of the contract. The pricing will be approximately 5% higher in year two based on year one pricing and approximately 5% higher in year three based on year two pricing.

JUSTIFICATION

These Aeroquip parts are required in order to support varying bus, streetcar and subway car maintenance needs.

February 21, 2006

9-118-55

Attachment – Appendix ‘A’

APPENDIX 'A'

PURCHASE OF AEROQUIP PARTS

COST SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF ITEMS RECOMMENDED
Orion Bus Industries Ltd.	91	\$ 245,147.11	40
Hose Hardware Inc.	91	\$ 475,717.82	50
Industrial Hose & Hydraulics Ltd.	92	\$ 844,051.24	1
D.J. Industrial Sales	91	\$ 620,564.55	2
MCI Service Parts Company	25	\$ 89,984.90	1
New Flyer Industries Limited *	88	\$ 449,082.63	--

*** DID NOT HAVE THE LOWEST PRICE ON ANY OF THE PART TYPES QUOTED**