

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: February 2005

---

**TORONTO TRANSIT COMMISSION  
REPORT NO.**

**MEETING DATE:** March 22, 2006

**SUBJECT:** Purchase Of Switch Lock Box Parts

**RECOMMENDATION**

It is recommended that the Commission authorize the award of a five-year inventory supply contract for the supply of various switch lock box parts to Niagara Track and Castings Incorporated for the period from April 2006 to April 2011 for an upset limit of \$695,000 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 switch lock box parts are used to maintain the surface track streetcar switches. These switch lock box parts are used in the maintenance of streetcar switches.

One of the parts is the complete switch lock box assembly and the other 13 part types are the individual components that go into the complete switch lock box assembly. In the past awards for this requirement were based on the lowest compliant bid for each part and several vendors were awarded different parts. However, in order to get the different parts manufactured by different companies to fit together in the switch lock box assembly, machine shop work was required before the parts could be used by the Commission resulting in additional cost and delay. The existing tooling/patterns for these parts are at the end of their useful life and the proponents were requested to price the cost for the new tooling/patterns for these parts (the tooling/patterns will be the property of the TTC). To correct past problems with the

interchangeability/fit within each switch lock box assembly, the award of contract was based on the lowest overall bid for all the parts in the proposal.

## **DISCUSSION**

Proposals were invited from thirteen known companies coupled with an advertisement on the TTC internet website on December 23, 2005. Four companies submitted proposals as summarized in Appendix 'A'. The proposal called for 14 pre-approved part types. Further, the proponents were requested to include tooling costs as well as being advised that alternatives would not be considered during the evaluation. Their proposals were required also to include a Quality Plan and ISO certification. A total of 14 part types are being recommended for award.

Niagara Track and Castings Incorporated submitted prices on all 14 part types and has the lowest compliant price on 14 part types. Their proposal did not state any exceptions or qualifications and is considered commercially compliant. They are recommended to be awarded an upset limit contract for \$695,000 for the 14 part types.

H.J. Skelton Canada Ltd. submitted prices on 14 part types and did not have the lowest overall submitted prices. They submitted all the mandatory submission requirements. Their submission did not state any exceptions or qualifications.

Ronsco Incorporated submitted prices on 14 part types and has the second lowest price on 14 part types. However, they did not submit the required Quality Plan or any ISO certification and, therefore, they are considered commercially non-compliant.

D.J. Industrial Sales submitted prices on 14 part types and had the highest price on all items. However, they did not submit their Quality Plan as required and, therefore, they are considered commercially non-compliant.

The recommended upset limit includes approximately 20% contingency for variances between forecasted and actual usage and new parts yet to be identified which may be added to the contract during the contract period.

The pricing for the new five-year inventory supply contracts are approximately 11% higher in the first year of the contract. The pricing will be approximately 2% higher in year two based on year one pricing; approximately 6% higher in year three based on year two pricing; approximately 6% higher in year four based on year three pricing and approximately 5% higher in year five based on year four pricing. The price increase is attributed to charges in the material specifications for some of the parts as well as tighter tolerances required for the new parts to ensure a more consistent fit of the parts in the assembly and a more expensive method of manufacturing most of the components is required, i.e. investment casting process.

## **JUSTIFICATION**

These switch lock box parts are required in order to support streetcar surface track maintenance needs.

-----  
February 28, 2006

9-118-63

Attachment – Appendix 'A'



**APPENDIX 'A'**

**PURCHASE OF SWITCH LOCK BOX PARTS**

**COST SUMMARY**

<b>PROPONENT</b>	<b>NO. OF ITEMS</b>	<b>TOTAL TENDERED AMOUNT</b>	<b>NO. OF ITEMS RECOMMENDED</b>	<b>RECOMMENDED UPSET LIMIT</b>
<b>NiagaraTrack &amp; Casting Ltd.</b>	14	\$ 560,805.35	14	\$695,000.00
<b>Ronsco Incorporated</b>	14	\$ 690,514.06	--	--
<b>H.J. Skelton Canada Ltd.</b>	14	\$1,027,623.79	--	--
<b>D.J. Industrial Sales</b>	14	\$2,822,863.38	--	--