

MEETING DATE: MAY 17, 2006

SUBJECT: Purchase Of Bus Wheels

RECOMMENDATION

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

- Traction Heavy Duty Parts for \$1,206,000 including applicable taxes.
- Freightliner Mid-Ontario Incorporated for \$570,000 including applicable taxes.
- Orion Bus Industries Limited for \$9,000 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 bus wheels are used to maintain the Commission's buses.

DISCUSSION

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

The proposal called for 5 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. All 5 part types are being recommended for award.

Traction Heavy Duty Parts submitted prices on 4 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$1,206,000.00 for 1 part type.

Freightliner Mid-Ontario Incorporated submitted prices on 3 part types and has the lowest price on 2 part types. They are recommended to be awarded an upset limit contract for \$570,000 for 2 part types.

Orion Bus Industries Limited submitted prices on 5 part types and has the lowest price on 2 part types. They are recommended to be awarded an upset limit contract for \$9,000 for 2 part types.

The remaining companies that quoted did not have the lowest prices.

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 5% lower in the first year

of the contract. The pricing will be approximately 4% higher in year two based on year one pricing and approximately 3% higher in year three based on year two pricing.

JUSTIFICATION

These wheels are required in order to maintain the Commission's revenue bus vehicles.

April 25, 2006

9-118-55

Attachment – Appendix 'A'

APPENDIX 'A'

PURCHASE OF BUS WHEELS

PROPOSAL SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF ITE RECOMMEN
Traction Heavy Duty Parts	4	\$1,579,080.77	1
Freightliner Mid-Ontario Incorporated	3	\$1,578,758.46	2
Orion Bus Industries Limited	5	\$2,114,191.26	2
MCI Service Parts Company	4	\$1,720,895.83	--
For Garry Industries	4	\$1,740,759.60	--