

**MEETING DATE:** MAY 17, 2006

**SUBJECT:** Purchase Of Communication Equipment Parts

### **RECOMMENDATION**

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

- Intercon Security Limited for \$387,000 including applicable taxes.
- Graybar Canada Limited for \$101,000 including applicable taxes.
- GE Security for \$36,000 including applicable taxes.
- Chubb Security Systems, a Division of CSG Incorporated for \$6,500 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 communication parts are used to maintain the Commission's various communication equipment systems. Several examples include black and white picture tubes, amplifiers, intercom phones and time lapse recorders.

### **DISCUSSION**

Proposals were invited from twelve known companies coupled with an advertisement on the TTC internet website on March 3, 2006. Four companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 30 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. All 30 part types are being recommended for award. Intercon Security Limited submitted prices on 30 part types and has the lowest price on 19 part types. Staff identified what appeared an error in pricing on 1 part type and contacted Intercon Security Limited. During the clarification, staff discovered that Intercon Security Limited was offering an incomplete part thereby rendering this part type non-compliant, hence, staff did not consider this item and recommend awarding this part type to the lowest compliant proponent – Graybar Canada Limited. Therefore, Intercon Security Limited are recommended to be awarded an upset limit contract for \$387,000 for 18 part types.

Graybar Canada Limited submitted prices on 15 part types and has the lowest compliant price on 7 part types, including the 1 part type that was deselected from Intercon Security Limited. They are recommended to be awarded an upset limit contract for \$101,000 for 7 part types.

GE Security submitted prices on 15 part types and has the lowest compliant price on 3 part types. They are recommended to be awarded an upset limit contract for \$36,000 for 3 part types.

Chubb Security Systems, a Division of CSG Incorporated submitted prices on 18 part types and has the lowest compliant price on 2 part types. They are recommended to be awarded an upset limit contract for \$6,500 for 2 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 10% lower in the first year of the contract. The pricing will be approximately 2% higher in year two based on year one pricing and approximately 2% higher in year three based on year two pricing.

### **JUSTIFICATION**

These communication equipment parts are required in order to maintain the Commission's communication maintenance needs.

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April 19, 2006  
Attachment – Appendix 'A'

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**PURCHASE OF COMMUNICATION EQUIPMENT PARTS**

**APPENDIX 'A'**

**PROPOSAL SUMMARY**

<b>PROPONENT</b>	<b>NO. OF ITEMS PRICED</b>	<b>AMOUNT PROPOSED</b>	<b>NO. OF IT RECOMME</b>
<b>Intercon Security Limited</b>	30	\$459,105.24	18
<b>Graybar Canada Limited</b>	15	\$ 96,372.44	7
<b>GE Security</b>	14	\$452,480.15	3
<b>Chubb Security Systems, a Division of CSG Inc.</b>	18	\$423,569.29	2