

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:** May 17, 2006

**SUBJECT:** Purchase Of Delco Parts

**RECOMMENDATION**

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

- Elreg Distributors Limited for \$384,000 including applicable taxes.
- Fort Garry Industries Limited for \$260,000 including applicable taxes.
- British Auto Supply for \$155,500 including applicable taxes.
- MCI Service Parts Incorporated for \$37,500 including applicable taxes.
- Davies Auto Electric Limited for \$7,500 including applicable taxes.
- Vaughan Automotive Supplies 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 Delco parts are used primarily to maintain the electrical systems on the Commission's revenue and non-revenue vehicles. Several examples include spark plugs, spark plug wires, starter solenoids and alternator drive gears.

## **DISCUSSION**

Proposals were invited from twelve known companies coupled with an advertisement on the TTC internet website on January 24, 2006. Eight companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 80 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 74 part types are being recommended for award. The 6 part types that are not being recommended for award are comprised of 4 part types where no pricing was received. Staff will investigate these parts and will try other sources of supply for these items. There is 1 part type that will be rebuilt within the Commission. As well staff has recently identified 1 part type as no longer being required.

Elreg Distributors Limited submitted prices on 37 part types and has the lowest price on 26 part types. Their proposal contained an exception for 6 of the 26 part types whereby there are part number changes. The changes are deemed as administrative only with no impact to fit, form or function. Therefore, they are recommended to be awarded an upset limit contract for \$384,000 for 26 part types.

Fort Garry Industries Limited submitted prices on 37 part types and has the lowest price on 5 part types. They are recommended to be awarded an upset limit contract for \$260,000 for 5 part types.

British Auto Supply submitted prices on 65 part types and has the lowest price on 23 part types. Their proposal contained an exception for 4 of the 23 part types whereby there are part number changes. The changes are deemed as administrative only with no impact to fit, form or function. Further, staff has deselected 2 part types as 1 will be reassigned to another grouping of parts that are categorized as being rebuilt within the Commission and 1 has been identified as being no longer required. Therefore, they are recommended to be awarded an upset limit contract for \$155,500 for 21 part types.

MCI Service Parts Company submitted prices on 26 part types and has the lowest price on 7 part types. They are recommended to be awarded an upset limit contract for \$37,500 for 7 part types.

Davies Auto Electric Limited submitted prices on 58 part types and has the lowest price on 7 part types. They are recommended to be awarded an upset limit contract for \$7,500 for 7 part types.

Vaughan Automotive Supplies submitted prices on 61 part types and has the lowest price on 8 part types. They are recommended to be awarded an upset limit contract for \$1,000 for 8 part types.

Avenue Motor Works submitted prices on 57 part types however they did not acknowledge the TTC issued addendum as required thereby rendering their proposal as non-compliant and they were not considered further.

General Auto Parts submitted prices on 62 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.

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 2% 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 4% higher in year three based on year two pricing.

**JUSTIFICATION**

These Delco parts are required in order to maintain the electrical systems on the Commission's revenue and non-revenue vehicles.

-----

April 26, 2006

9-118-55

Attachment – Appendix 'A'

**APPENDIX 'A'**  
**PURCHASE OF DELCO PARTS**

**PROPOSAL SUMMARY**

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF ITEMS RECOMMENDED
<b>Elreg Distributors Limited</b>	37	\$ 724,686.00	26
<b>Fort Garry Industries Limited</b>	37	\$1,128,382.06	5
<b>British Auto Supply</b>	65	\$ 665,660.15	21
<b>MCI Service Parts Incorporated</b>	26	\$ 751,706.07	7
<b>Davies Auto Electric Limited</b>	58	\$ 658,874.40	7
<b>Vaughan Automotive Supplies</b>	61	\$ 732,490.47	8
<b>Avenue Motor Works Incorporated*</b>	57	\$ 511,690.18	--
<b>General Auto Parts**</b>	62	\$ 696,235.09	--

**\* Did not submit TTC issued addendum rendering their submission non-compliant.**

**\*\* Submitted incomplete proposal rendering their submission non-compliant.**