

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** December 6, 2007

**SUBJECT:** PROCUREMENT AUTHORIZATION - SUPPLY OF ELECTRIC  
JOBBER PARTS

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## **RECOMMENDATION**

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of various electric jobber parts to the following companies for the period from December 2007 to November 2010:

- Powertrade Electric Limited for \$1,484,000 including applicable taxes.
- Wesco Distribution Canada LP for \$1,180,500 including applicable taxes.
- Harwell Electric Supply Company Limited for \$718,500 including applicable taxes.
- Guillevin International Company for \$272,000 including applicable taxes.
- Berco Automotive Supply Limited for \$160,000 including applicable taxes.
- Westburne Ruddy Electric for \$144,500 including applicable taxes.
- Anixter Canada Incorporated for \$110,000 including applicable taxes.
- Enviro-Care Products Incorporated for \$106,500 including applicable taxes.
- Newark, Division of Premier Farnell Canada Limited for \$36,500 including applicable taxes.
- Argo International for \$29,000 including applicable taxes.
- Electro Sonic Incorporated for \$23,000 including applicable taxes.
- MCI Service Parts, Incorporated for \$1,500 including applicable taxes.

## **FUNDING**

Sufficient funds have been included in the 2007 and 2008 TTC Operating Budgets and will be included in future Operating Budgets as appropriate. These inventory materials will be charged to the appropriate budget at the time of issuance from Stores.

**BACKGROUND**

The subject electric jobber parts are used for various electrical maintenance needs throughout the Commission including vehicle and building maintenance.

**DISCUSSION**

Proposals were invited from twenty-seven known companies coupled with an advertisement on the TTC internet website on August 9, 2007. Sixteen companies submitted proposals as summarized in Appendix 'A'.

The proposal called for firm pricing on 1,154 pre-approved part types. Proponents were also advised that alternatives would not be considered during the evaluation. A total of 960 part types are being recommended for award. The 194 part types that are not being recommended were not priced. Staff will investigate these parts and they may subsequently be the subject of a future proposal.

During the evaluation, staff noted that there are various proponents that tied for the lowest price on 20 part types. The recommendation basis for the awarding of these part types was based on the proponent that offered the shortest lead time to the Commission. Should the lead time offered also be tied, staff would recommend award for that part type based on the proponent's historical vendor on-time delivery performance rating with the Commission.

Powertrade Electric Limited (Powertrade) submitted prices on 754 part types and has the lowest price on 478 part types. As well, they were tied for the lowest price on 2 part types with Harwell Electric Supply Company Limited. On the first part type, Harwell Electric Supply Company Limited offered a better lead time. On the second part type, the lead times offered were tied, but Powertrade had a better vendor on-time delivery performance rating. Therefore they are recommended to be awarded an upset limit contract of \$1,484,000 for 479 part types.

Wesco Distribution Canada LP (Wesco) submitted prices on 488 part types and has the lowest price on 102 part types. As well, they were tied for the lowest price on 16 part types with Anixter Canada Incorporated and 1 part type with Harwell Electric Supply Company Limited. Wesco offered better lead times on all the tied parts with Anixter Canada Incorporated, but did not offer a better lead time on the 1 part type tied with Harwell Electric Supply Company Limited. Therefore they are recommended to be awarded an upset limit contract of \$1,180,500 for 118 part types.

Harwell Electric Supply Company Limited (Harwell) submitted prices on 649 part types and has the lowest price on 211 part types. Harwell are also being recommended award for 1 part type that they were tied with Powertrade and 1 part type that they were tied with Wesco where they had a better vendor on-time delivery performance rating. Therefore they are recommended to be awarded an upset limit contract of \$718,500 for 213 part types.

Guillevin International Company submitted prices on 261 part types and has the lowest price on 3 part types. They are recommended to be awarded an upset limit contract of \$272,000 for 3 part types.

Berco Automotive Supply Limited (Berco) submitted prices on 37 part types and has the lowest price on 13 part types. As well, they were tied for the lowest price on 1 part type with Newark, Division of Premier Farnell Canada Limited but did not offer a better lead time so that item will not be awarded to Berco. Therefore they are recommended to be awarded an upset limit contract for \$160,000 for 13 part types.

Westburne Ruddy Electric submitted prices on 9 part types and is the lowest price on these 9 part types. They are recommended to be awarded an upset limit contract for \$144,500 for these 9 part types.

Anixter Canada Incorporated submitted prices on 138 part types and has the lowest price on 65 part types. As well, they were tied for the lowest price on 16 part types with Wesco but they did not offer a better lead time than Wesco. Therefore they are recommended to be awarded an upset limit contract for \$110,000 for 65 part types.

Enviro-Care Products Incorporated submitted prices on 1 part type and has the lowest price on that 1 part type. They are recommended to be awarded an upset limit contract for \$106,500 for 1 part type.

Newark, Division of Premier Farnell Canada Limited (Newark) submitted prices on 110 part types and has the lowest price on 27 part types. As well, they were tied for the lowest price on 1 part type with Berco. As Newark offered a better lead time, they are being recommended award of this 1 part type. Therefore they recommended to be awarded an upset limit contract for \$36,500 for 28 part types.

Argo International submitted prices on 32 part types and has the lowest price on 4 part types. They are recommended to be awarded an upset limit contract of \$29,000 for 4 part types.

Electro Sonic Incorporated submitted prices on 110 part types and has the lowest price on 26 part types. They are recommended to be awarded an upset limit contract of \$23,000 for 26 part types.

MCI Service Parts, Incorporated submitted prices on 9 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract of \$1,500 for 1 part type.

Acklands Grainger Incorporated submitted prices on 166 part types. Their proposal did not identify the lead times nor did it identify which item they were quoting on thereby rendering their prices for those part types as non-compliant and was not considered further.

CEA submitted prices on 105 part types however they did not submit two pages in the Form of Proposal as required in the proposal thereby rendering their submission as non-compliant and was not considered further.

Robertson Electric Wholesale submitted prices on 218 part types however they did not submit any of the pages in the Form of Proposal as required in the proposal thereby rendering their submission as non-compliant and was not considered further.

Wolf Electric submitted prices on 185 part types. Their proposal did not identify the lead times on any of the part types which they were quoting on thereby rendering their prices for those part types 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 6% higher in the first year of the contract. The pricing will be approximately 3% higher in year two based on year one pricing and approximately 4% higher in year three based on year two pricing.

**JUSTIFICATION**

These electric jobber parts are required in order to support varying electrical maintenance needs throughout the Commission.

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November 16, 2007  
9-118-55  
Attachment – Appendix 'A'

**APPENDIX 'A'**

**SUPPLY OF ELECTRIC JOBBER PARTS**

**PRICE SUMMARY**

<b><u>Proponent</u></b>	<b><u>No. of Items Priced</u></b>	<b><u>Amount Proposed</u></b>	<b><u>No. of Items Recommended</u></b>	<b><u>Recommended Upset Limit Amount</u></b>
Powertrade Electric Limited	754	\$2,804,645.86	479	\$ 1,484,000
Wesco Distribution Canada LP	488	\$2,297,038.10	118	\$ 1,180,500
Harwell Electric Supply Company Limited	649	\$3,011,198.43	213	\$ 718,500
Guillevin International Company	261	\$1,984,107.55	3	\$ 272,000
Berco Automotive Supply Limited	37	\$1,553,715.18	13	\$ 160,000
Westburne Ruddy Electric	9	\$120,368.33	9	\$ 144,500
Anixter Canada Incorporated	138	\$1,046,351.47	65	\$ 110,000
Enviro-Care Products Incorporated	1	\$88,530.12	1	\$ 106,500
Newark, Division of Premier Farnell Canada Limited	110	\$860,190.07	28	\$ 36,500
Argo International	32	\$168,579.44	4	\$ 29,000
Electro Sonic Incorporated	110	\$477,763.78	26	\$ 23,000
MCI Service Parts, Incorporated	9	\$21,626.37	1	\$ 1,500
Acklands Grainger Incorporated *	166	\$334,363.75	-	-
CEA *	105	\$720,230.40	-	-
Robertson Electric Wholesale *	218	\$2,676,079.38	-	-
Wolf Electric *	185	\$741,581.32	-	-

**Notes:**

\* submitted non-compliant proposals and were not considered further