

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: DECEMBER 6, 2007

SUBJECT: PROCUREMENT AUTHORIZATION - SUPPLY OF VARIOUS
BUS PARTS

RECOMMENDATION

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

- New Flyer Industries Canada ULC for \$955,000 including applicable taxes.
- MCI Service Parts, Incorporated for \$247,000 including applicable taxes.
- Baker Transit Parts for \$185,000 including applicable taxes.
- DaimlerChrysler Commercial Buses North America Limited for \$177,000 including applicable taxes.
- Mohawk Mfg & Supply Company for \$180,500 including applicable taxes.
- Prevost Car, Incorporated for \$168,000 including applicable taxes.
- Frontier Laser for \$109,000 including applicable taxes.
- Fort Garry Industries Limited for \$12,500 including applicable taxes.
- NATSCO for \$14,500 including applicable taxes.
- DJ Industrial Sales for \$1,200 including applicable taxes.

FUNDING

Sufficient funds have been included in the 2007 and 2008 TTC Operating Budget 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 bus parts are used for varying bus maintenance needs.

DISCUSSION

Proposals were invited from thirty known companies coupled with an advertisement on the TTC internet website on October 3, 2007. Fourteen companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 227 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 173 part types are being recommended for award. The 54 part types that are not being recommended for award are comprised of 41 part types where no pricing was received. The remaining 13 part types were de-selected as the pricing was deemed excessive when compared to current prices. Staff will investigate these items and determine a course of action for future purchases of these part types.

New Flyer Industries Canada ULC submitted prices on 66 part types and has the lowest price on 38 part types. They are recommended to be awarded an upset limit contract for \$955,000 for 38 part types.

MCI Service Parts, Incorporated submitted prices on 92 part types and has the lowest price on 32 part types. They are recommended to be awarded an upset limit contract for \$247,000 for 32 part types.

Davies Auto Electric Limited submitted prices on 5 part types and has the lowest price on 2 part types, however the total value of this order would have been approximately \$300. The cost of administrating this order over the three-year term would exceed the \$300, therefore staff have de-selected these parts and are recommending award to the second lowest proponent. Hence 1 part type is recommended to be awarded to Baker Transit Parts and 1 part type to Fort Garry Industries Limited.

Baker Transit Parts submitted prices on 86 part types and has the lowest price on 28 part types, further they are the second lowest price for the 1 part type de-selected from Davies Auto Electric Limited. Therefore, they are recommended to be awarded an upset limit contract for \$185,000 for 29 part types.

DaimlerChrysler Commercial Buses North America Limited submitted prices on 50 part types and has the lowest price on 23 part types. They are recommended to be awarded an upset limit contract for \$177,000 for 23 part types.

Mohawk Mfg & Supply Company submitted prices on 34 part types and has the lowest price on 15 part types. They are recommended to be awarded an upset limit contract for \$180,500 for 15 part types.

Prevost Car, Incorporated submitted prices on 106 part types and has the lowest price on 26 part types. They are recommended to be awarded an upset limit contract for \$168,000 for 26 part types.

Frontier Laser submitted prices on 2 part types and has the lowest price on those 2 part types. They are recommended to be awarded an upset limit contract for \$109,000 for 2 part types.

NATSCO submitted prices on 15 part types and has the lowest price on 3 part types. They are recommended to be awarded an upset limit contract for \$14,500 for 3 part types.

Fort Garry Industries Limited submitted prices on 12 part types and has the lowest price on 2 part types, further they are the second lowest price for the 1 part type de-selected from Davies Auto Electric Limited. Therefore, they are recommended to be awarded an upset limit contract for \$12,500 for 3 part types.

DJ Industrial Sales submitted prices on 4 part types and has the lowest price on 2 part types. They are recommended to be awarded an upset limit contract for \$1,200 for 2 part types.

Cadel A Division of UAP Incorporated submitted prices on 5 part types but did not have the lowest price on any of the part types.

Gillig Corporation submitted prices on 71 part types however their proposal submission contained an exception to the Commission's 1-year warranty clause by offering a 6 month warranty and did not cover damage to work caused by defective parts supplied during the course of the contract, thereby rendering their proposal as non-compliant and was not considered further.

Western Toronto International Trucks Incorporated submitted prices on 20 part types however they submitted an incomplete proposal by failing to supply 2 required pages in the Form of Proposal thereby 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 13% lower in the first year of the contract when compared to current pricing. On this basis, staff plan on ending the current contracts earlier than the scheduled January 22, 2008 expiry date to take advantage of these savings. 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 various bus parts are required in order to support varying bus maintenance needs.

November 22, 2007

9-118-55

Attachments - Appendix 'A'

APPENDIX 'A'

Supply of Various Bus Parts

COST SUMMARY

<u>Proponent</u>	<u>No. of Items Priced</u>	<u>Amount Proposed</u>	<u>No. of Items Recommende d</u>	<u>Recommended Upset Limit Amount</u>
New Flyer Industries Canada ULC	66	\$1,259,443.04	38	\$955,000
MCI Service Parts, Incorporated	92	\$1,139,202.42	32	\$247,000
Baker Transit Parts	86	\$1,376,548.11	29	\$185,000
DaimlerChrysler Commercial Buses North America Limited	50	\$824,643.73	23	\$177,000
Mohawk Mfg & Supply Company	34	\$995,372.28	15	\$180,500
Prevost Car, Incorporated	106	\$2,096,459.95	26	\$168,000
Frontier Laser	2	\$90,689.00	2	\$109,000
NATSCO	15	\$387,595.55	3	\$14,500
Fort Garry Industries Limited	12	\$50,504.28	3	\$12,500
DJ Industrial Sales	4	\$113,447.49	2	\$1,200
Davies Auto Electric Limited	5	\$137,978.38	-	-
Cadel A Division of UAP Incorporated	5	\$4,612.38	-	-
Gillig Corporation *	71	-	-	-
Western Toronto International Trucks Incorporated *	20	-	-	-

* - Non-compliant proposal and was not considered