

**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: February 27, 2007

SUBJECT: Procurement Authorization – Purchase of Bus Brake Drums

RECOMMENDATION

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

- Bartlett-Provincial Brake Inc. for \$953,000 including applicable taxes.
- Harper Freightliner Inc. for \$482,000 including applicable taxes.

FUNDING

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

BACKGROUND

The subject bus brake drums are used to maintain the braking systems on the Commission's buses.

DISCUSSION

Proposals were invited from fifteen known companies coupled with an advertisement on the TTC internet website on November 20, 2006. Twelve 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 parts types are being recommended for award.

Bartlett-Provincial Brake Inc. submitted pricing on 5 part types and has the lowest compliant price on 4 part types. They are recommended to be awarded an upset limit contract for \$953,000 for the 4 part types. Harper Freightliner Inc. submitted pricing on 5 part types and has the lowest compliant price on 1 part type. They are recommended to be awarded an upset limit contract for \$482,000 for the 1 part type.

Truck Trailer Transit Inc. submitted pricing on 5 part types. Their submission is quoted in US dollars. Staff converted their pricing based on the published rate of 1.1474, however they did not offer the lowest price on any of the part types. They are not being recommended for award of any part types.

New Flyer Industries Limited submitted pricing on 1 part type but was not the lowest price on the part type.

They are not being recommended for award of the part type.

Neudoerffer Truck Supply Inc. submitted pricing on 4 part types but was not the lowest price on any of the part types. They are not being recommended for award of any part types.

The following companies submitted pricing on 5 part types but were not the lowest price on any of the part types and are not being recommended for award of any part types:

- Baker Transit Parts Inc.
- MCI Service Parts Company
- Traction Division of UAP
- Thorncrest Sherway Inc.
- Daimler Chrysler Comm. Buses North America
- Western Toronto International Trucks Inc.
- Fort Garry Industries

The pricing for the new three-year inventory supply contracts are approximately 5% lower than current pricing in the first year of the contract. The pricing will be approximately 1% higher in year two based on year one pricing and no increase in year three based on year two pricing.

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.

JUSTIFICATION

These brake drums are required in order to support bus vehicle braking maintenance needs.

January 31, 2007
9-118-41
- Appendix 'A'

APPENDIX 'A'

PURCHASE OF BUS BRAKE DRUMS

COST SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF RECORDS
Bartlett-Provincial Brake Inc.	5	\$1,218,258.72	
Harper Freightliner Inc.	5	\$1,756,509.90	
Traction – Division of UAP	5	\$1,594,228.72	
Truck Trailer Transit Inc.	5	\$1,458,623.06	
Baker Transit Parts Inc.	5	\$2,186,459.40	
MCI Service Parts Company	5	\$1,471,056.32	
New Flyer Industries Limited	1	\$ 794,852.46	
Thorncrest Sherway Inc.	5	\$1,667,536.69	
Daimler Chrysler Comm. Buses North America	5	\$1,498,652.89	
Western Toronto International Trucks Inc.	5	\$1,575,079.49	
Neudoerffer Truck Supply Inc.	4	\$1,304,935.20	
Fort Garry Industries	5	\$1,434,348.00	