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**TORONTO TRANSIT COMMISSION  
REPORT NO.**

**MEETING DATE:** February 27, 2007

**SUBJECT:** Procurement Authorization – Purchase of Track Coverboards

**RECOMMENDATION**

It is recommended that the Commission authorize the award of a three-year inventory supply contract for the supply of coverboards to Stella-Jones Incorporated for the period from March 2007 to February 2010 for an upset limit of \$570,000 including applicable taxes.

**FUNDING**

Sufficient funds are available in the 2007 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 coverboards are used in the Commission subway track system and used to cover the top of the third rail.

**DISCUSSION**

Proposals were invited from eighteen known companies coupled with an advertisement on the TTC internet website on September 12, 2006. Three companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 5 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. All 5 part types are being recommended for award.

Stella-Jones Incorporated submitted the lowest priced proposal on all 5 part types with no exceptions. They are recommended to be awarded a contract for an upset limit amount of \$570,000.

H.J. Skelton (Canada) Ltd. submitted prices on all 5 part types, however, their proposal was based on an alternative. Staff has confirmed that this alternative is not approved for use and are not fire retardant. Therefore, their submission was considered commercially non-compliant and their proposal was not considered further.

Ratcliff Lumber Incorporated submitted prices on all 5 part types, however, their proposal was based on an alternative. Staff has confirmed that this alternative is not approved for use and are not fire retardant. Therefore, their submission was considered commercially non-compliant and their proposal was not considered further.

The contract includes approximately 20% contingency for variance between forecasted and actual usage and new parts yet to be identified which may be added to the contract during the contract term.

The pricing received for this new three-year inventory supply contract was approximately 11% higher in year one compared to the current pricing. There will be approximately 2.7% increase in year two based on year one prices and approximately a 2.7% in year three based on year two prices.

**JUSTIFICATION**

These coverboards are required in order to support subway track maintenance needs.

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February 2, 2007  
9-118-63

**APPENDIX 'A'**

**PURCHASE OF TRACK COVERBOARDS**

**COST SUMMARY**

<b>PROPOSERS</b>	<b>NO. OF ITEMS</b>	<b>TOTAL TENDERED AMOUNT</b>	<b>NO. OF ITEMS RECOMMENDED</b>	<b>RECOMMENDED UPSET LIMIT</b>
Stella-Jones Incorporated	5	\$474,468.00	5	\$570,000.00
H.J. Skelton Canada Limited	5	\$125,073.96	--	--
Ratclif Lumber Incorporated	5	\$ 92,394.72	--	--