
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: JANUARY 31, 2007

SUBJECT: Purchase of Rail Enclosures

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of rail enclosures to the following companies for the period from February 2007 to January 2010:

- Iron Horse Engineering for \$332,000 including applicable taxes.
- Polycorp Limited for \$2,500,000 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 rail enclosures are used for surface track maintenance as part of rail installation. There are two types of enclosures. Each one used to support different rail types (i.e. 115lb. and Np4aMOD).

DISCUSSION

Proposals were invited from nine known companies coupled with an advertisement on the TTC internet website on October 31, 2006. Five companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 2 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. Both part types are being recommended for award.

Iron Horse Engineering submitted prices on both part types but were the lowest price on 1 part type only. They did not state any exceptions or qualifications. They are recommended to be awarded a contract for a 3 year period in the upset limit amount of \$332,000.

Polycorp Limited submitted prices on both part types but were the lowest price on 1 part type only. They did not state any exceptions or qualifications. They are recommended to be awarded a contract for a 3 year period in the upset limit amount of \$2,500,000.

L.B. Foster Company submitted prices on both part types, however, they were not the lowest price. Their

proposal was in U.S. funds and was converted to Canadian funds at the current exchange rate of 1.1474 for comparison purposes only.

International Track Systems Incorporated submitted prices on both part types, however, they were not the lowest price. Their proposal was in U.S. funds and was converted to Canadian funds at the current exchange rate of 1.1474 for comparison purposes only.

Performance Polymers Incorporated submitted prices on both part types, however, the proposal was based on an alternative. 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 8% lower in year one compared to the current pricing. There will be an approximately 0.5% decrease in year two compared to year one prices and there will be no price change in year three compared to year two prices.

JUSTIFICATION

These rail enclosures are required in order to support Commission's surface track maintenance needs.

December 19, 2006
Attachment – Appendix 'A'

9-118-63

APPENDIX 'A'

PURCHASE OF RAIL ENCLOSURES

PROPOSAL SUMMARY

	NO. OF ITEMS	TOTAL TENDERED AMOUNT	NO. OF ITEMS RECOMMENDE
Iron Horse Engineering Company	2	\$2,446,428.60	1
Polycorp	2	\$2,435,547.64	1
L.B. Foster Company	2	\$2,875,870.94	--
International Track Systems Incorporated	2	\$2,441,741.15	--
Performance Polymers Incorporated	2	\$2,311,749.00	--