

TORONTO TRANSIT COMMISSION

REPORT NO.

MEETING DATE: JUNE 13, 2007

SUBJECT: Supply Of Autojobber Parts Procurement Authorization -

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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 autojobber parts to the following companies for the period from June 2007 to June 2010:

- DaimlerChrysler Commercial Buses North America Limited for \$727,000 including applicable taxes.

- Baker Transit Parts for \$456,000 including applicable taxes.

- British Auto Supply for \$428,000 including applicable taxes.

- Fort Garry Industries for \$203,000 including applicable taxes.

- Dial Auto Parts Incorporated for \$162,000 including applicable taxes.

- Davies Auto Electric Limited for \$117,000 including applicable taxes.

- General Auto Parts for \$75,000 including applicable taxes.

- D.J. Industrial Sales for \$53,000 including applicable taxes.

- Highway Automotive Supply for \$50,000 including applicable taxes.

- TRC Toronto for \$45,000 including applicable taxes.

- Traction for \$44,000 including applicable taxes.

- Neudoerffer Truck Supply for \$43,000 including applicable taxes.

- Mohawk MFG & Supply Company for \$42,000 including applicable taxes.

- Cadel for \$37,000 including applicable taxes.

- Colville Fasteners Limited for \$35,000 including applicable taxes.

- Elreg Distributors Limited for \$35,000 including applicable taxes.

- Vaughan Automotive Supplies for \$15,000 including applicable taxes.

- Hydraquip Sales & Service for \$14,000 including applicable taxes.

- Car Parts Company for \$13,000 including applicable taxes.

- Wes-Garde Components for \$12,000 including applicable taxes.

- Reliable Bearing Company Limited for \$10,000 including applicable taxes.

- Berco Automotive Supply Limited for \$12,000 including applicable taxes.

- Pneumatic Industrial Equipment for \$3,000 including applicable taxes.

- Williams Fluidair Corporation Limited for \$2,500 including applicable taxes.

The total award would be \$2,633,500 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 materials will be charged to the appropriate budget at the time of issuance from Stores.

BACKGROUND

The subject autojobber parts are used for varying automotive maintenance needs on the Commission's revenue and non-revenue vehicle fleet.

DISCUSSION

Tenders were invited from thirty-seven known companies coupled with an advertisement on the TTC internet website on January 2, 2007. Twenty-seven companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 960 pre-approved part types. Proponents were also advised that alternatives would not be considered during the evaluation. A total of 915 part types are being recommended for award. The 45 part types that are not being recommended for award are comprised of 44 part types where no pricing was received and 1 part type that had no compliant offers. Staff may investigate these parts and they may subsequently be the subject of a future proposal. In the case of a tie, lead times submitted were considered first and secondly vendor on-time delivery performance over the last 17 months.

DaimlerChrysler Commercial Buses North America Limited submitted prices on 96 part types and has the lowest price on 54 part types. They are recommended to be awarded an upset limit contract for \$727,000 for 54 part types.

Baker Transit Parts submitted prices on 504 part types and has the lowest price on 177 part types. They also had the same lowest price on 1 other part type that was quoted on by British Auto Supply Company Limited and Reliable Bearing Company Limited. The award of the price-tied part type is recommended to British Auto Supply Co. Ltd. on the basis of better lead time being offered than Baker Transit Parts and better vendor on-time delivery performance than Reliable Bearing Co. Ltd.

Therefore, Baker Transit Parts are recommended to be awarded an upset limit contract for \$456,000 for the initial 177 part types.

British Auto Supply Company Limited submitted prices on 587 part types and has the lowest price on 144 part types. They also had the same lowest price on 4 other part types that were quoted by other proponents:

- Fort Garry Industries on 1 part type.
- General Auto Parts on 1 part type.
- Baker Transit Parts and Reliable Bearing Company Limited on 1 part type.
- Dial Auto Parts Incorporated on 1 part type.

Of these same priced part types, British had a better vendor on-time delivery performance percentage compared to Fort Garry and will be recommended award of their price-tied part type. General Auto Parts had a better vendor on-time delivery performance and will be recommended award of their price-tied part type. British Auto Supply Company Limited is recommended for the award of the next price-tied part on the basis of a better vendor on-time delivery performance than Reliable and better lead time than Baker. British Auto Supply Company Limited was successful on 1 part type that was de-selected from Dial Auto Parts Incorporated since Dial Auto Parts Incorporated are new to the Commission and do not have a measured vendor on-time delivery performance statistic. Therefore, British Auto Supply Company Limited are recommended to be awarded an upset limit contract for \$428,000 for 147 part types.

Fort Garry Industries submitted prices on 239 part types and has the lowest price on 66 part types. They also had the same lowest price on 4 other part types that were quoted by other proponents:

- Traction on 3 part types.
- British Auto Supply Company Limited on 1 part type.

Of these same priced part types, Fort Garry Industries is not recommended for the award of any as British Auto Supply Company Limited had a better vendor on-time delivery performance for their price-tied part, and the remaining 3 part types are being recommended for award to Traction based

on a better lead time. Therefore, Fort Garry Industries are recommended to be awarded an upset limit contract for \$203,000 for 66 part types.

Dial Auto Parts Incorporated submitted prices on 515 part types and has the lowest price on 17 part types. They also had the same lowest price on 1 other part type that was quoted on by British Auto Supply Company Limited. Since Dial Auto Parts Incorporated is new to the Commission and does not have a measured vendor on-time delivery performance statistic with the Commission, staff selected British Auto Supply Company Limited which does. Therefore Dial Auto Parts Incorporated are recommended to be awarded an upset limit contract for \$162,000 for the initial 17 part types.

Davies Auto Electric Limited submitted prices on 479 part types and has the lowest price on 78 part types. They are recommended to be awarded an upset limit contract for \$117,000 for 78 part types.

General Auto Parts submitted prices on 670 part types and has the lowest price on 69 part types. They also had the same lowest price on 1 other part type that was de-selected from British Auto Supply Company Limited as they had a better vendor on-time delivery performance on this part type. Therefore General Auto Parts are recommended to be awarded an upset limit contract for \$75,000 for 70 part types.

D.J. Industrial Sales submitted prices on 78 part types and has the lowest price on 8 part types. They also had the same lowest price on 2 other part types that were quoted by other proponents:

- TRC Toronto on 1 part type.
- Hydraquip Sales & Service and TRC Toronto on 1 part type.

Of these same priced part types, TRC Toronto will be recommended for award of 1 item as they had a better vendor on-time delivery performance as measured against D.J. Industrial Sales, and Hydraquip Sales and Service will be recommended for 1 item as they had the best on-time delivery vendor performance. Therefore D.J. Industrial Sales are recommended to be awarded an upset limit contract for \$53,000 for the initial 8 part types.

Highway Automotive Supply submitted prices on 420 part types and has the lowest price on 19 part types. They are recommended to be awarded an upset limit contract for \$50,000 for 19 part types.

TRC Toronto submitted prices on 73 part types and has the lowest price on 18 part types. They also had the same lowest price on 3 other part types that were quoted by other proponents:

- D.J. Industrial Sales on 1 part type.
- Hydraquip Sales & Service and D.J. Industrial Sales on 1 part type.
- Hydraquip Sales & Service on 1 part type.

TRC Toronto had a better vendor on-time performance than D.J. Industrial Sales and is recommended for award for their tied item. The other 2 part types are recommended to Hydraquip Sales & Service as they had a better vendor on-time delivery performance. Therefore TRC Toronto are recommended to be awarded an upset limit contract for \$45,000 for 19 part types.

Traction submitted prices on 282 part types and has the lowest price on 56 part types. They also had the same lowest price on 4 other part types that were quoted by other proponents:

- Fort Garry Industries on 3 part types.
- Car Parts Company on 1 part type.

Traction is offering a better lead time on these 4 part types and therefore are recommended to be awarded an upset limit contract for \$44,000 for 60 part types.

Neudoerffer Truck Supply submitted prices on 88 part types and has the lowest price on 8 part types. They are recommended to be awarded an upset limit contract for \$43,000 for 8 part types.

Mohawk MFG & Supply Company submitted prices on 290 part types and has the lowest price on 22 part types. They are recommended to be awarded an upset limit contract for \$42,000 for 22 part types.

Cadel submitted prices on 113 part types and has the lowest price on 31 part types. They are recommended to be awarded an upset limit contract for \$37,000 for 31 part types.

Colville Fasteners Limited submitted prices on 85 part types and has the lowest price on 27 part types. They are recommended to be awarded an upset limit contract for \$35,000 for 27 part types.

Elreg Distributors Limited submitted prices on 18 part types and has the lowest price on 5 part types. They are recommended to be awarded an upset limit contract for \$35,000 for 5 part types.

Vaughan Automotive Supplies submitted prices on 630 part types and has the lowest price on 28 part types. They are recommended to be awarded an upset limit contract for \$15,000 for 28 part types.

Hydraquip Sales & Service submitted prices on 163 part types and has the lowest price on 11 part types. They also had the same lowest price on 2 other part types that were quoted by other proponents:

- D.J. Industrial Sales and TRC Toronto on 1 part type.
- TRC Toronto on 1 part type.

Of these same priced part types, Hydraquip will be recommended for award as they had a better measured vendor on-time delivery performance. Therefore Hydraquip Sales & Service are recommended to be awarded an upset limit contract for \$14,000 for the 13 part types.

Car Parts Company submitted prices on 249 part types and has the lowest price on 34 part types. They also had the same lowest price on 1 other part type that was quoted by Traction. Since Traction is offering a better lead time, staff are recommending award of that part type to Traction. Therefore Car Parts Company is recommended to be awarded an upset limit contract for \$13,000 for the initial 34 part types.

Wes-Garde Components submitted prices on 49 part types and has the lowest price on 7 part types. Their offer also contained a qualification noting part number changes on 4 of the 7 recommended part types which were deemed as merely administrative as there was no change to fit, form or function. They are recommended to be awarded an upset limit contract for \$12,000 for 7 part types.

Reliable Bearing Company Limited submitted prices on 111 part types and has the lowest price on 3 part types. They also had the same lowest price on 1 other part type with Baker Transit Parts and British Auto Supply Company Limited. They have offered a better lead time than Baker Transit Parts, however British Auto has a better vendor on-time delivery performance with the same lead-time as Reliable, therefore this tied part is recommended for award to British Auto Supply Company Limited. Therefore Reliable Bearing Company Limited is recommended to be awarded an upset limit contract for \$10,000 for 3 part types.

Berco Automotive Supply Limited submitted prices on 612 part types and has the lowest price on 14 part types. They are recommended to be awarded an upset limit contract for \$12,000 for 14 part types.

Pneumatic Industrial Equipment submitted prices on 6 part types and has the lowest price on those 6 part types. They are recommended to be awarded an upset limit contract for \$3,000 for 6 part types.

Williams Fluidair Corporation Limited submitted prices on 4 part types and has the lowest price on 2 part types. Further, they also offered two alternative parts which were not considered in this evaluation but may be for future proposals pending staff review and investigation. They are recommended to be awarded an upset limit contract for \$2,500 for 2 part types.

Harper Power Group Incorporated submitted prices on 8 part types but did not have the lowest price on any part types.

MCI Service Parts, Incorporated submitted prices on 64 part types, however their proposal submission was incomplete as they only quoted prices for one year and not the three-year pricing as required in the proposal, thereby rendering their offer as non-compliant and was not considered further.

NATSCO submitted prices on 23 part types however they did not submit a complete Form of Proposal document thereby rendering their offer 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 17% lower in the first year of the contract. The pricing will be approximately 2% higher in year two based on year one pricing and approximately 1% higher in year three based on year two pricing.

JUSTIFICATION

These autojobber parts are required in order to support varying vehicle maintenance needs.

May 24, 2007

9-121-55

Attachment – Appendix “A”

APPENDIX “A”

PROPOSAL SUMMARY

Proponent	No. of Items Priced	Total Proposed Price	No. of Items Recommended
DaimlerChrysler Commercial Buses North America Limited	96	\$892,211.15	54
Baker Transit Parts	504	\$1,877,377.03	177
British Auto Supply	587	\$1,638,638.70	147
Fort Garry Industries	239	\$991,026.46	66
Dial Auto Parts Incorporated	515	\$1,379,831.10	17
Davies Auto Electric Limited	479	\$1,481,821.20	78
General Auto Parts	670	\$1,853,627.79	70
D.J. Industrial Sales	78	\$226,048.71	8
Highway Automotive Supply	420	\$1,846,757.45	19
TRC Toronto	73	\$252,298.11	19
Traction	282	\$850,295.94	60
Neudoerffer Truck Supply	88	\$236,147.76	8
Mohawk MFG & Supply Company	290	\$973,915.96	22
Cadel	113	\$883,614.78	31
Colville Fasteners Limited	85	\$297,381.90	27
Elreg Distributors Limited	18	\$126,749.52	5
Vaughan Automotive Supplies	630	\$1,861,897.56	28
Hydraquip Sales & Service	163	\$460,387.11	13
Car Parts Company	249	\$549,858.72	34
Wes-Garde Components	49	\$76,670.08	7
Reliable Bearing Company Limited	111	\$310,805.98	3
Berco Automotive Supply Limited	612	\$2,860,206.16	14
Pneumatic Industrial Equipment	6	\$2,242.49	6
Williams Fluidair Corporation Limited	4	\$3,194.85	2
Harper Power Group Incorporated	8	\$20,449.67	-
MCI Service Parts, Incorporated *	64	-	-
NATSCO *	23	-	-

* Non-Compliant proposals

