

TORONTO TRANSIT COMMISSION

REPORT NO.

MEETING DATE: June 13, 2007

SUBJECT: Supply Of Srt Splice Plate Kits And Conductors Procurement Authorization

RECOMMENDATION

It is recommended that the Commission authorize the issuance of a purchase order to Conductix Incorporated in the amount of \$1,961,484.00 including applicable taxes for SRT Splice plate kits and Conductor rail.

FUNDING

Sufficient funds for SRT track kits and assemblies have been included in Project 1.1 Subway Track, under SRT Power Rail & Insulation Assembly, as set out on pages 33 to 38 - Category State of Good Repair / Safety of the TTC 2007-2011 Capital Program as approved by City Council on March 7, 2007.

BACKGROUND

The subject SRT Splice plate kits and Conductor rail are used on the Commission's SRT rail system. It is estimated that during 2007 and 2008 these kits and rail will be required to support the Commission's rail replacement project.

DISCUSSION

Proposals were invited from seven known companies coupled with an advertisement on TTC's internet website on February 21, 2007. Four companies submitted proposals for the items.

American Diesel Incorporated had the lowest price for item #1 and the highest price for item #2, however, they had made an obvious error in the pricing. Therefore, the American Diesel Incorporated proposal was not considered any further as well, as their proposal was not technically compliant.

Transtech of SC Incorporated submitted the second lowest price for both items 1 and 2, however, staff reviewed their proposal and deemed that it was technically non-compliant as it is based on an alternative that does not meet the TTC's technical specification. Therefore, their proposal is technically unacceptable.

Conductix Incorporated submitted the third lowest price for both items 1 and 2 and their price is based on the specified requirements. However, their pricing is not firm as it was subject to adjustment after July 30, 2007 and they did not provide formulae for the price adjustment. As a result they are deemed commercially non-compliant but technical compliant.

H.J. Skelton Canada Limited submitted a price for item 2 only and was the second lowest bid for item 2, however staff reviewed their proposal, and it was deemed that it was technically non-compliant as their proposal is for an alternative which does not meet TTC's technical specifications. Therefore, their proposal is technically unacceptable.

Upon completion of the original evaluation it was determined that all four proposals submitted were commercially unacceptable and that only Conductix Incorporated's proposal was technically acceptable. As none of the four submissions could be considered for award, staff obtained the Interim Chief General Manager's authorization to cancel this tender and to negotiate with Conductix Incorporated to establish an acceptable contract. As a result of negotiations, Conductix Incorporated has now agreed to waive their originally proposed option to review their pricing after July 30, 2007 and has agreed to hold their original proposed price as firm for the supply of the 1,100 Splice Kits and Conductors for the SRT to be shipped in four lots over the period from contract award to March 28, 2008. Conductix Incorporated's proposal is considered commercially and technically compliant and they are recommended for award.

Staff were unable to provide price comparison for both part types as the specifications and scope of work have changed significantly.

JUSTIFICATION

The SRT Splice plate kits and Conductor rail are required in order to facilitate the rail replacement project throughout 2007 and 2008.

May 25, 2007

9-121-63

Attachment – Appendix “A”

APPENDIX "A"

SUPPLY OF SRT SPLICE KITS AND CONDUCTORS

<u>Item #</u>	<u>American Diesel Engineering Inc.</u>	<u>H.J. Shelton (Canada) Ltd.</u>	<u>Transtech of SC, Inc.</u>	<u>Conductix, Inc.</u>
1	\$ 106,088.40	\$ -	\$1,579,663.80	\$1,827,192.00
2	\$ 140,987.97	\$ 103,141.50	\$ 92,733.30	\$ 134,292.00
TOTAL QUOTED	\$ 247,076.37	\$ 103,141.50	\$1,672,397.10	\$1,961,484.00

Total award after negotiations is \$1,961,484.00 to Conductix, Inc.