

## **Toronto Transit Commission**

### **Report no.**

**Meeting Date:** November 14, 2007

**Subject:** Procurement Authorization - Purchase Of Rockwell Meritor Brake Parts

### **Recommendation**

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of Rockwell Meritor parts to the following companies for the period from November 2007 to November 2010:

- Fort Garry Industries for \$1,977,000 including applicable taxes.
- DaimlerChrysler Commercial Buses North America Limited for \$1,563,000 including applicable taxes.
- New Flyer Industries Canada ULC for \$918,000 including applicable taxes.
- Baker Transit Parts for \$85,000 including applicable taxes.
- Prevost Car, Incorporated for \$36,000 including applicable taxes.\
- MCI Service Parts, Incorporated for \$12,000 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 materials will be charged to the appropriate budget at the time of issuance from Stores.

### **Background**

The subject Rockwell Meritor parts are used for maintaining the Commission's bus braking system.

### **Discussion**

Proposals were invited from twelve known companies coupled with an advertisement on the TTC internet website on July 26, 2007. Eight companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 220 pre-approved part types. Proponents were also advised that alternatives would not be considered during the evaluation. A total of 211 part types are being recommended for award. The 9 part types that are not being recommended were not priced. Staff will investigate other sources for these parts and they may subsequently be the subject of a future proposal.

Fort Garry Industries (Fort Garry) submitted prices on 180 part types and has the lowest price on 45 part types. They were also tied with DaimlerChrysler Commercial Buses North America Limited for the lowest price on 1 other part type, but are being recommended to be awarded this part type on the basis of a better lead time being offered. Therefore Fort Garry is recommended to be awarded an upset limit contract for \$1,977,000 for 46 part types.

DaimlerChrysler Commercial Buses North America Limited (Daimler) submitted prices on 205 part types and has the lowest price on 115 part types. As well they were tied with Fort Garry on 1 part type and New Flyer Industries Canada ULC on another part type. These two proponents offered better lead times than Daimler and are being recommended award, therefore Daimler is recommended to be awarded an upset limit contract of \$1,563,000 for 115 part types.

New Flyer Industries Canada ULC (New Flyer) submitted prices on 184 part types and has the lowest price on 42 part types. As well they were tied with Daimler on 1 part type. Since New Flyer offered a better lead time than Daimler, staff have recommended award to New Flyer. Hence, they are recommended to be awarded an upset limit contract for \$918,000 for 43 part types.

Baker Transit Parts submitted prices on 167 part types and has the lowest price on 3 part types. They are recommended to be awarded an upset limit contract for \$85,000 for 3 part types.

Prevost Car, Incorporated submitted prices on 192 part types and has the lowest price on 3 part types. They are recommended to be awarded an upset limit contract of \$36,000 for 3 part type.

MCI Service Parts, Incorporated submitted prices on 146 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract of \$12,000 for 1 part type.

Gillig Corporation submitted prices on 201 part types however they took exception to the Commission's warranty clause. Staff considered their exception as unacceptable therefore their proposal was not considered further.

Western Toronto International Trucks Incorporated submitted prices on 196 part types. Their proposal was submitted without a completed Form of Proposal as required in the proposal thereby rendering their submission 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 contract is approximately 9% lower in the first year of the contract. On this basis, staff is recommending ending the current contracts earlier than the scheduled November 30, 2007 expiry date to take advantage of these savings. The pricing will be approximately 2% higher in year two based on year one pricing and approximately 2% higher in year three based on year two pricing.

### **Justification**

These Rockwell Meritor brake parts are required in order to support bus braking maintenance needs.

October 4, 2007

9-118-55

Attachment – Appendix 'A'

**Appendix 'A'**  
**Procurement Authorization – Purchase of Rockwell Meritor Brake Parts**  
**Cost Summary**

<b>PROPONENT</b>	<b>NO. OF ITEMS PRICED</b>	<b>AMOUNT PROPOSED</b>	<b>NO. OF ITEMS RECOMMENDED</b>	<b>RECOMMENDED UPSET LIMIT AMOUNT</b>
Fort Garry Industries	180	\$3,143,214.19	46	\$ <b>1,977,000</b>
DaimlerChrysler Commercial Buses North America Limited	205	\$3,890,387.16	115	\$ <b>1,563,000</b>
New Flyer Industries Canada ULC	183	\$3,646,083.47	43	\$ <b>918,000</b>
Baker Transit Parts	167	\$4,836,360.43	3	\$ <b>85,000</b>
Prevost Car, Incorporated	192	\$4,358,862.84	3	\$ <b>36,000</b>
MCI Service Parts, Incorporated	146	\$4,070,234.92	1	\$ <b>12,000</b>
Gillig Corporation *	201	-	-	-
Western Toronto International Trucks Incorporated *	196	-	-	-

\* Not being awarded any part types