

# Procurement Authorization: Rebuild Of SRT Workcar Locomotive ST-1

Meeting Date: April 23, 2008

Subject: Procurement Authorization: Rebuild Of SRT Workcar Locomotive ST-1

Action Item: X

## **Recommendation**

It is recommended that the Commission authorize the acceptance of the proposal submitted by ARVA Industries Inc (ARVA) and award of a contract in the amount of \$597,981.29, including applicable taxes, for the rebuild of SRT workcar locomotive ST-1.

## **Funding**

Sufficient funds are included in project 4.22 Rail Non-Revenue Vehicle Overhaul under Rebuild ST-1 (Work Order 6093) as set out on pages 1171-1173 in the category State of Good Repair/Safety of the TTC 2008-2012 Capital Program, which was approved by City Council on December 11, 2007.

## **Background**

ST-1 is the Commission's locomotive workcar for the Scarborough Rapid Transit (SRT) Line. Built by Niigata Engineering in Japan, it entered TTC service in 1984 and is now over 20 years old. Because of the age and origin of this locomotive, maintenance, reliability and parts availability have become problematic. The driveline is reaching the end of its useful life and it has become difficult or impossible to find replacement parts for many of the driveline and auxiliary components.

## **Discussion**

The ST-1 Locomotive Rebuild project was approved to upgrade and rebuild ST-1 to return the locomotive to its "as new" or better performance with the installation of new powertrain and auxiliary systems using North American sourced components and modern emissions controls. As well, this rebuild will include a new engine enclosure that provides up-to-date soundproofing and fire safety system. Modernization of the operator's stations with new seats and controls is also included. The rebuild will give the locomotive an additional 20 years of life.

Specifications, and drawings were prepared for Proposal P32PJ07892 and a Request for Proposal was posted on the Commission's Web site on January 4, 2008. Nine companies were notified about this proposal. Two companies requested copies of the proposal documents out of which ARVA submitted a proposal. The non-bidding company did indicate that their subcontractor had changed ownership leaving insufficient time to review the proposal requirements.

ARVA submitted the only proposal which is considered acceptable. ARVA has satisfactorily completed work of a similar size and nature for the Commission in the past. No alternatives were offered by ARVA.

The Agreement to Provide an Irrevocable Letter of Credit submitted by Royal Bank of Canada covers the Contract Security. ARVA will be required to execute an Irrevocable Letter of Credit in the amount of 50% of the contract value.

Based on a review of the Contractor's financial statements, it appears they have the financial capability to perform this contract.

**Justification**

This rebuild is required in order to return ST-1's reliability and maintainability to an acceptable level.

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