

Procurement Authorization - Supply Of Ford Parts

Meeting Date: April 23, 2008

Subject: Procurement Authorization - Supply Of Ford Parts

Action Item: X

Recommendation

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of Ford parts for the three year period from May 2008 to May 2011 to the following companies:

- Thorncrest Sherway Inc. for \$3,062,000 including applicable taxes.
- Donway Ford Sales Ltd. for \$333,000 including applicable taxes.

Funding

Sufficient funds have been included in the 2008 TTC and Wheel-Trans Operating Budgets 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 Ford vehicle parts are used to maintain the Commission's Wheel-Trans Bus and Non-Revenue Vehicle fleets.

Discussion

The three companies that have normally responded to TTC bid invitations for Ford parts were invited to bid along with an advertisement on the TTC website on January 25, 2008. Two companies submitted proposals as summarized in Appendix 'A'. The non-respondent (Yorkdale Ford Lincoln Sales Ltd.) was contacted to ascertain the reasons for their non-response. Yorkdale indicated they did not have the staff to handle a project of this nature/size.

The proposal called for 551 pre-approved part types. The proponents were also advised that alternatives would not be considered during the evaluation. A total of 538 part types are being recommended for award. The 13 part types that are not being recommended for award are comprised of 1 part type both

companies quoted on but were non-compliant as they did not provide pricing for all 3 years as required in the RFP, 8 part types that were deselected due to significant price increases/decreases which are considered obvious errors and 1 part type that was deselected as a lower priced alternative has been identified by staff and was included in this requirement in error. There was no pricing received on the remaining 3 part types. Staff will investigate other sources of supply for these items.

Thorncrest Sherway Inc. submitted prices on 523 part types and has the lower price on 477 part types. They are recommended to be awarded an upset limit contract for \$3,062,000 for 477 part types for a three year term.

Donway Ford Sales Ltd. submitted prices on 545 part types and has the lower price on 61 part types. They are recommended to be awarded an upset limit contract for \$333,000 for 61 part types for a three year term.

The recommended upset limit amounts include an approximate 20% contingency for variances 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 for the new three-year inventory supply contracts are approximately 0.69% higher in the first year of the contract, the pricing will be approximately 3.64% higher in year two compared to year one pricing and approximately 4.10% higher in year three compared to year two pricing.

Justification

These Ford parts are required in order to support the Commission's Wheel-Trans Bus and non-revenue vehicle maintenance needs.

April 8, 2008

Attachments - Appendix 'A'

Appendix 'A'

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Proposal Summary

Proponent	No. Of Items Priced	Total Proposal Price	No. Of Items Recommended	Recommended Upset Limit Amount
Thorncrest Sherway Inc.	523	\$2,760,722.36	477	\$3,062,000
Donway Ford Sales Ltd.	545	\$2,944,858.17	61	\$333,000