

# Declaration For Surplus And Award Of Contract For The Sale And Removal Of Decommissioned Buses

Meeting Date: August 27, 2008

Subject: Declaration For Surplus And Award Of Contract For The Sale And Removal Of Decommissioned Buses

## **Recommendation**

It is recommended that the Commission approve the following:

1. Declaration for surplus of up to 250 buses for the purpose of selling or donating throughout 2008 and 2009; and
2. Awarding a contract to UMMSU LLC in the amount of \$650,430 for the sale and removal of 250 surplus decommissioned buses for a 15 to 18 month period.

## **Funding**

Disposal of surplus assets through a competitive process results in the generation of revenue for the Commission.

## **Background**

The Authorization for Sales policy requires Commission approval for all revenue vehicles to be declared surplus.

## **Discussion**

It is expected that up to 250 buses will be declared surplus over the next 15 to 18 months including GM's (purchased in 1982 and 1983), GM Classic's (purchased in 1987), New Flyer D40-88/89's, (purchased in 1988 and 1989) and Orion V's (purchased in 1991). These buses will have reached the end of their useful life and will generally be disposed of as a result of structural failure.

The Surplus Bus Donation Procedure continues to be followed and any surplus buses considered to be in acceptable condition will be donated, however, recent experience suggests that the buses identified for surplus will be unlikely candidates for donation as a result of structural failure.

Bids were invited from six companies on June 5, 2008 coupled with an advertisement on the TTC

website. Five companies submitted a bid as detailed on Appendix 'A'.

The bid called for the sale and removal of 250 surplus decommissioned TTC buses for a 15 to 18 month period.

UMMSU LLC submitted the highest bid at a total offered price of \$650,430. Their price is approximately 9% higher than the last time surplus buses were sold in 2007, from the same company. They have done this work for the Commission in the past in a satisfactory manner and are recommended for acceptance.

The following companies also submitted prices but were not the highest:

- Newmarket Iron & Metal
- Beeton Truck & Auto Wreckers Ltd.
- RAM Iron & Metal
- K & K Recycling Services

#### **Justification**

Due to the lack of available space, it is essential that these surplus buses be donated or sold in the best interest of the Commission as soon as possible after decommissioning.

July 23, 2008

5-41-110

Attachment - Appendix 'A'

#### **Appendix 'A'**

Declaration For Surplus And Award Of Contract For The Sale And Removal Of Decommissioned Buses

Proponent / Grand Total:

- Ummsu LLC - \$650,430
- Newmarket Iron & Metal Inc.- \$353,280
- Beeton Truck & Auto Wreckers - \$350,000
- RAM Iron & Metal- \$121,500
- K & K Recycling Services- \$67,500

Note: Ummsu LLC is recommended for award.