

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: MAY 28, 2009

SUBJECT: SALE OF SURPLUS ASSETS

ACTION ITEM:

REASON FOR CONFIDENTIAL INFORMATION:

This report contains advice or communications that are subject to solicitor-client privilege.

RECOMMENDATION

It is recommended that the Commission:

1. Approve the recommendation as set out in the Confidential Attachment; and
2. Authorize the public release of the confidential information and recommendation in the Confidential Attachment upon the award of a contract to the potential purchaser to build and operate a transit system in another jurisdiction.

DISCUSSION

Recently TTC Staff was approached by a company who proposed to negotiate the potential purchase of the TTC's 135 H5 and 126 H6 subway cars on a sole source basis. This company intends to re-use the H5 and H6 subway cars for a potential project to operate a transit system in another jurisdiction, however, the potential purchaser will not know until at least late 2009 if the project to operate a transit system will proceed. Should the project proceed and the potential purchaser be awarded the contract to build and operate the transit system, this award would then be made public.

JUSTIFICATION

Accepting the negotiated agreement for the sale of the H5 and H6 subway cars subject to the aforementioned conditions, represents a significant financial benefit to the Commission compared to the normal proceeds that would result from the sale of subway cars as scrap.

May 19, 2009
9-118-80