

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: APRIL 24, 2013

SUBJECT: PROCUREMENT AUTHORIZATION – SUPPLY OF
BOMBARDIER RAIL VEHICLE PARTS

ACTION ITEM

RECOMMENDATION

It is recommended that the Board authorize the award of a three-year inventory supply contract for the supply of Bombardier rail vehicle parts for the period April 29, 2013 to April 28, 2016 to Bombardier Transportation Canada Inc. in the upset limit amount of \$13,700,000 including applicable taxes.

FUNDING

Sufficient funds are included in the 2013 TTC Operating Budget and will be included in future operating budgets as appropriate. These inventory materials will be charged to the appropriate departmental budget at the time of issuance from TTC Stores.

BACKGROUND

The subject parts are Bombardier rail vehicle parts that are used to maintain the TTC's subway cars, SRT vehicles and streetcars.

DISCUSSION

Bombardier Transportation Canada Inc. (Bombardier) was invited to submit a proposal on January 11, 2013 as they are the car builder and only source of supply for these parts.

The proposal called for various pre-approved part types and 206 items are being recommended for award. Bombardier provided a proposal and TTC staff contacted Bombardier to negotiate price reductions. As a result, the negotiated pricing resulted in a cost avoidance of approximately \$350,000.

The pricing for the new three-year contract will be approximately 4.38% higher in the first year of the contract based on current pricing. The pricing will be 3.61% higher in year two based on year one pricing and 3.59% higher in year three based on year two pricing.

This contract includes a contingency of approximately 20% for variances between forecasted and actual usage and new parts yet to be identified that may be added to the contract during the contract term.

JUSTIFICATION

These Bombardier rail vehicle parts are required in order to support the TTC's subway cars, SRT vehicles and streetcars.

April 8, 2013
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