

MEETING DATE: November 19, 2003

SUBJECT: Purchase Of Steel Ties

RECOMMENDATION

It is recommended that the Commission authorize the award of a three-year inventory supply contract for the supply of various steel ties to Iron Horse Engineering for the period December 1, 2003 to November 30, 2006 in the upset limit amount of \$3,500,000 including applicable taxes.

FUNDING

Sufficient funding has been included in the 2003 TTC Operating Budget 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 steel ties are used as part of the Commission's ongoing surface track maintenance. There are three types of steel ties to suit the rail type it will support - 115 lb., NP4aMOD girder and combination 115 lb/NP4aMOD.

DISCUSSION

Proposals were invited from eleven companies coupled with an advertisement on the TTC Internet website on July 17, 2003. Ten companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 3 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. All 3 parts are being recommended for award.

Iron Horse Engineering Company submitted prices on all 3 part types and had the lowest pricing on all 3 part types. They are recommended to be awarded a contract of \$3,500,000. Their proposal also contained an alternative (i.e. plastic versus steel). Staff will review this for technical acceptability for future proposals, as it does not meet the current specification.

The remaining nine companies all submitted prices on all 3 parts, however they did not have the lowest price on any part types.

This contract includes approximately 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 contract is approximately 7% lower in the first year of the contract. The prices will remain the same in years two and three of the contract.

JUSTIFICATION

These steel ties are required in order to support the Commission’s surface track maintenance needs.

November 3, 2003

9-118-80

APPENDIX ‘A				
PURCHASE OF STEEL TIES				
<u>COST SUMMARY</u>				
PROPONENT NAME	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF ITEMS RECOMMENDED	RECOMMENDED LIMIT AMOU
Iron Horse Engineering Co. Inc.	3	\$ 2,825,550.00	3	\$ 3,500,000.00
H. J. Skelton Canada Ltd.	3	\$ 3,189,000.32	-	-
Ronsco Incorporated	3	\$ 3,620,591.46	-	-

