

MEETING DATE: JUNE 22, 2005

SUBJECT: Purchase Of Rotron Parts

RECOMMENDATION

It is recommended that the Commission authorize the award of a three-year inventory supply contract to Baker Transit Parts for the supply of various Rotron parts for the period June 2005 to June 2008 in the upset limit amount of \$575,000 including applicable taxes.

FUNDING

Sufficient funds have been included in the 2005 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 parts are used to maintain the Commission buses' Heating, Ventilation and Air Conditioning (HVAC) systems. Several examples include circulating pump impeller shafts, circulating pumps and stator housings.

DISCUSSION

Proposals were invited from eight known companies coupled with an advertisement on the TTC internet web site on April 4, 2005. Six companies submitted proposals as summarized on Appendix 'A'.

The proposal called for 15 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. All 15 part types are being recommended for award.

Baker Transit Parts submitted prices on all 15 part types and has the lowest price on all of these 15 part types. They are recommended to be awarded an upset limit contract for \$575,000.

MCI Service Parts, Incorporated submitted prices on all 15 part types however their submission was incomplete thereby rendering their proposal non-compliant and was not considered further.

Gillig Corporation submitted prices on all 15 part types. Their submission was quoted in US dollars and was converted by staff to CDN dollars using the published Finance rate of 1.2083. Further their proposal noted that freight costs were not included in their unit pricing. For evaluation purposes, staff estimated that these costs would be covered by adding an estimated 5% to their unit pricing. However, their proposal was incomplete thereby rendering their proposal non-compliant and was not considered further.

The remaining three companies all submitted prices on the 15 part types, however they did not have the lowest price on any of the 15 part types.

These contracts include 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 received for this new three-year inventory supply contract is approximately 11% lower in the first year based on current prices. The pricing will be approximately 3% higher in year two based on year one prices and approximately 3% higher in year three based on year two prices.

JUSTIFICATION

These Rotron parts are required in order to support the Commission bus HVAC system maintenance needs.

May 17, 2005

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Attachment – Appendix “A”

APPENDIX 'A'

<u>Proponent</u>	<u>No. of Items Priced</u>	<u>Amount Proposed</u>	<u>No. of Items Recommended</u>
Baker Transit Parts	15	\$481,343.09	15
Orion Bus Industries Limited	15	\$493,187.10	0
New Flyer Industries Limited	15	\$508,013.51	0
Neopart	15	\$508,324.70	0
MCI Service Parts Incorporated	15	\$607,428.12	0
Gillig Corporation	15	\$533,540.77	0