

**MEETING DATE:** JUNE 22, 2005

**SUBJECT:** Purchase Of UWE Parts

### **RECOMMENDATION**

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of various UWE parts for the period June 2005 to June 2008 to the following companies:

- Thermex Incorporated for an upset limit of \$395,000 including applicable taxes.
- Mobile Climate Control for an upset limit of \$65,000 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's UWE heating system. The UWE system is used to keep the Commission's outdoor stored bus engines warm during the winter period. Several examples include solenoid valves, heating system modules, heat exchangers and circulating pumps.

### **DISCUSSION**

Proposals were invited from two known companies coupled with an advertisement on the TTC internet web site on March 23, 2005. Two companies submitted proposals as summarized on Appendix 'A'.

The proposal called for 36 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. All 36 part types are being recommended for award.

Thermex Incorporated submitted prices on 33 part types and has the lowest price on 16 part types. They are recommended to be awarded an upset limit contract for \$395,000.

Mobile Climate Control submitted prices on 36 part types and has the lowest price on 20 part types. Their proposal contained a qualification regarding part number revisions on five part types. Their qualification indicated no change to fit, form or function of the part but were merely administrative, thereby not rendering these parts as alternatives. 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. They have the lowest compliant price on 20 part types. They are recommended to be awarded an upset limit contract for \$65,000.

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 3% higher in the first year based on current prices. The pricing will be approximately 4% higher in year two based on year one prices and approximately 4% higher in year three based on year two prices.

**JUSTIFICATION**

These UWE parts are required in order to support the Commission bus engine warming system maintenance needs.

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May 11, 1005  
9-55  
Attachment – Appendix A

**APPENDIX "A"**

<b><u>Proponent</u></b>	<b><u>No. of Items Priced</u></b>	<b><u>Amount Proposed</u></b>	<b><u>No. of Items Recommended</u></b>	<b><u>Recommended Upset Limit Amount</u></b>
Thermex Incorporated	33	\$361,706.22	16	\$ 395,000
Mobile Climate Control	36	\$464,570.75	20	\$ 65,000