

MEETING DATE: AUGUST 30, 2006

SUBJECT: Purchase Of Various Brake Parts

RECOMMENDATION

It is recommended that the Commission authorize the award of a three-year inventory supply contract for the supply of various brake parts for the period September 2006 to August 2009 to the following companies:

- Graham-White Manufacturing Company for \$440,000 (CDN) including applicable taxes.
- Bartlett-Provincial Brake Incorporated for \$215,500 including applicable taxes.
- Fort Garry Industries Limited for \$202,500 including applicable taxes.
- MCI Service Parts Incorporated for \$64,000 including applicable taxes.
- New Flyer Industries Canada ULC for \$47,500 including applicable taxes.
- Orion Bus Industries Limited for \$28,000 including applicable taxes.

FUNDING

Sufficient funds have been included in the 2006 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 various brake parts on the bus fleet.

DISCUSSION

Tenders were invited from fourteen known companies coupled with an advertisement on the TTC internet website on June 19, 2006. Nine companies submitted proposals as summarized in Appendix 'A'. Unless otherwise stated, the bidders did not state any exceptions or qualifications to the Commission's terms and conditions and are considered commercially compliant.

The tender called for 14 pre-approved part types. Tenderers were also advised that alternatives would not be considered during the evaluation. A total of 14 part types are being recommended for award.

Graham-White Manufacturing Company submitted prices on 3 part types and have the lowest price for 3 part types. Their bid was quoted in U.S. funds and was converted to Canadian funds at the current exchange rate of 1.1346 for comparison purposes only. In addition Graham-White Manufacturing Company stated all prices were FOB Salem Virginia. Consequently, 5% was added to the unit price to cover the cost of freight. They are recommended to be awarded 3 part types for an upset limit price of \$440,000 (CDN).

Bartlett-Provincial Brake Incorporated submitted prices on 7 part types and have the lowest price on 2 part types. They are recommended to be awarded 2 part types for an upset limit price of \$215,000.

Fort Garry Industries Limited submitted prices on 8 part types and have the lowest price on 3 part types. They are recommended to be awarded 3 part types for an upset limit price of \$202,000.

Orion Bus Industries Limited submitted prices on 11 part types and had the apparent lowest price on 5 part types. However, 1 part type was determined to be significantly lower in price compared to previous pricing and the other vendors' pricing. Staff considered this a significant and obvious error and as a result, their quote for this part type was not considered further. Staff is recommending that this part type be awarded to the second lowest quote (MCI Service Parts Incorporated). Orion Bus Industries Limited is recommended to be awarded 4 part types for an upset limit price of \$28,000.

MCI Service Parts Incorporated submitted prices on 10 part types and were not the apparent lowest price on any part type, however they were the second lowest price for 1 part type, which was removed from OBI. They are recommended to be awarded 1 part type for an upset limit price of \$64,000.

New Flyer Industries Canada ULC submitted prices on 10 part types have the lowest price for 1 part type. They are recommended to be awarded 1 part type for an upset limit price of \$47,500.

Truck Trailer Transit submitted prices on 2 part types and had the apparent lowest price on 1 part type. Truck Trailer Transit did not take exception to the prices being in Canadian Funds, although, they have consistently done so in the past. Staff considered this as an error based on their past bidding practices. Therefore, Truck Trailer Transit's submission is considered to be commercially non-compliant and not considered further. They are not recommended for the award of any part types.

Baker Transit Parts Incorporated submitted prices on 10 part types and was not the lowest price on any part type. They are not recommended for award of any part type.

Harper Detroit Diesel Limited submitted prices on 2 part types and was not the lowest price on any part type. They are not recommended for award of any part type.

Each recommended upset limited includes approximately 20% contingency for variances between forecasted and actual usage and new parts yet to be identified which may be added to the contracts during the contract term.

The pricing received for this new three-year inventory supply contract was approximately 1.55% lower in year one compared to the current pricing. There will be approximately 1.31% increase in year two based on year one prices and approximately a 0.60% increase in year three based on year two prices.

JUSTIFICATION

These various brake parts are required in order to support the Commission's bus fleet.

July 27, 2006

9-111-63

Attachment - Appendix 'A'

APPENDIX "A"
PURCHASE OF VARIOUS BRAKE PARTS

	<u>No. of Items Priced</u>	<u>Total Tendered Amount</u>	<u>No. of Items Recommended</u>	<u>Recommended Upset Limit</u>
Graham-White Manufacturing Company	3	\$ 366,802.42	3	\$ 440,000.00
Bartlett-Provincial Brake Incorporated	7	\$ 179,504.40	2	\$ 215,500.00
Fort Garry Industries Limited	8	\$ 168,286.80	3	\$ 202,500.00
MCI Service Parts Incorporated	10	\$ 53,368.64	1	\$ 64,000.00
New Flyer Industries Canada ULC	10	\$ 39,565.98	1	\$ 47,500.00
Orion Bus Industries Limited	11	\$ 23,063.11	4	\$ 28,000.00