
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: MARCH 21, 2007

SUBJECT: PROCUREMENT AUTHORIZATION - SUPPLY OF MCI/RTS
BUS PARTS

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of MCI/RTS bus parts to the following companies for the period from March 2007 to March 2010:

- MCI Service Parts, Incorporated for \$1,243,000 including applicable taxes.
- Prevost Car, Incorporated for \$795,000 including applicable taxes.

FUNDING

Sufficient funds have been included in the proposed 2007 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 fleet of MCI and RTS buses.

DISCUSSION

Proposals were invited from MCI Service Parts, Incorporated and Prevost Car, Incorporated on November 9, 2006. These two companies are the only ones approved to supply these bus parts and are currently the only two known sources of supply. Their submitted proposals are summarized in Appendix 'A'.

The proposal called for 742 pre-approved part types. Proponents were advised that alternatives would not be considered during the evaluation. A total of 666 part types are being recommended for award. The 76 part types not being awarded are comprised of part types that were not quoted by either company and will require further investigation by staff and they may subsequently be the subject of a future Request for Proposal.

MCI Service Parts, Incorporated submitted prices on 595 part types and has the lowest prices on 392 part

types. They are recommended to be awarded an upset limit contract for \$1,243,000 for these 392 part types.

Prevost Car Incorporated submitted prices on 491 part types and has the lowest prices on 274 part types. They are recommended to be awarded an upset limit contract for \$795,000 for these 274 part types.

Each 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 contracts during the contract term.

The pricing for the new three-year inventory supply contracts are approximately 5% lower in the first year of the contract based on current pricing. The pricing is approximately 4% higher in year two based on year one prices and approximately 4% higher in year three based on year two prices. Staff contacted both vendors to substantiate the cost increases and were advised that the increases are attributed mainly to higher steel and energy costs.

JUSTIFICATION

These MCI/RTS bus parts are required in order to support the Commission's MCI and RTS bus fleet maintenance needs.

February 27, 2007

9-118-55

Attachment – Appendix 'A'

APPENDIX 'A'

SUPPLY OF MCI / RTS BUS PARTS

PROPOSAL SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF ITEMS RECOMMENDED	RE
MCI Service Parts, Incorporated	595	\$1,570,405.44	392	
Prevost Car, Incorporated	491	\$1,486,182.46	274	