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Form Revised: February 2005

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**TORONTO TRANSIT COMMISSION  
REPORT NO.**

**MEETING DATE:** MARCH 21, 2007

**SUBJECT:** PROCUREMENT AUTHORIZATION - Supply Of Track Enclosures

**RECOMMENDATION**

It is recommended that the Commission rescind the authorization for award to Iron Horse Engineering in the amount of \$332,000 and authorize the award of three-year inventory supply contract for the supply of track enclosures to International Track Systems Incorporated for \$294,000 including applicable taxes for the period from April 2007 to January 2010.

**FUNDING**

Sufficient funds are available in the 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 track enclosures are used for surface track maintenance as part of rail installation. There are two types of enclosures - each one used to support different rail types (i.e. 115lb. and Np4aMOD).

A recommendation for award was previously approved at the January 31, 2007 Commission Meeting for:

- Polycorp Limited in the amount of \$2,500,000 including applicable taxes.
- Iron Horse Engineering in the amount of \$332,000 including applicable taxes.

One of the bidders who responded to the tender for this requirement drew to staff's attention an apparent error in the Commission Report. Upon examination, it was discovered that an error had occurred during the

evaluation of this Proposal. The award has not yet been made to the respective previously recommended companies.

## **DISCUSSION**

During the evaluation of the bids for this requirement, staff converted International Track System's (a U.S. firm) bid which was quoted in Canadian funds to U.S. funds in error. This inadvertent conversion of funds resulted in an incorrect final recommendation for the award of the Np4aMOD rail enclosure to Iron Horse. However the recommendation for the award of the 115 lb. rail enclosure to Polycorp Limited remains the same. Consequently, it is recommended that the Commission authorize the revised award for the supply of track enclosures for a three year period from April 2007 to January 2010 based on the following revised bid summary:

Proposals were invited from nine known companies coupled with an advertisement on the TTC internet website on October 31, 2006. Five companies submitted proposals as summarized in Appendix 'A'.

The proposal called for 2 pre-approved enclosure types. Proponents were advised that alternatives would not be considered during the evaluation. Both part types are being recommended for award.

International Track Systems Incorporated submitted prices on both part types but were the lowest price on the enclosure for the Np4aMOD rail only and 4<sup>th</sup> lowest on the other part. They did not state any exceptions or qualifications. They are recommended to be awarded a contract for a 3 year period in the upset limit amount of \$294,000.

Polycorp Limited submitted prices on both part types but were the lowest price on the enclosure for the 115 lb. rail only and 4<sup>th</sup> lowest on the other part. They did not state any exceptions or qualifications. They are recommended to be awarded a contract for a 3 year period in the upset limit amount of \$2,500,000.

L.B. Foster Company submitted prices on both part types, however, they were not the lowest price. Their proposal was in U.S. funds and was converted to Canadian funds at the current exchange rate of 1.1474 for comparison purposes only.

Iron Horse Engineering submitted prices on both part types and was not the low bidder for any items. They are commercially acceptable, however are not recommended for award of any items.

Performance Polymers Incorporated submitted prices on both part types, however, the proposal was based on an alternative. Therefore, their submission was considered commercially non-compliant and their proposal was not considered further.

The contract includes approximately 20% contingency for variance 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 was approximately 9.29% lower in year one compared to the current pricing. There will be an approximate 0.51% decrease in year two compared to year one prices, and there will be no price change in year three compared to year two prices.

**JUSTIFICATION**

These track enclosures are required in order to support Commission's surface track maintenance needs.

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March 6, 2007

Attachment – Appendix 'A'

9-118-33

**APPENDIX 'A'**

**SUPPLY OF TRACK ENCLOSURES**

**PROPOSAL SUMMARY**

<b>PROPOSERS</b>	<b>NO. OF ITEMS</b>	<b>TOTAL TENDERED AMOUNT</b>	<b>NO. OF ITEMS RECOMMENDED</b>
<b>International Track Systems Incorporated</b>	<b>2</b>	<b>\$2,441,741.15</b>	<b>1</b>
<b>Polycorp</b>	<b>2</b>	<b>\$2,435,547.64</b>	<b>1</b>
L.B. Foster Company	2	\$2,875,870.94	--
Iron Horse Engineering Company	2	\$2,446,428.60	--
Performance Polymers Incorporated	2	\$2,311,749.00	--