

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: December 17, 2008

SUBJECT: PROCUREMENT AUTHORIZATION – REPAIR AND TESTING OF
DAMAGED T1 CARS 5184, 5185, 5326 & 5327

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission authorize the award of a Contract, to Bombardier Inc. in the upset limit amount of \$4,100,000.00 for the repair of T1 Subway Cars 5184, 5185, 5326 and 5327, including all applicable taxes.

FUNDING

This is an unbudgeted expense. Costs incurred will be charged to the TTC Operating budget at the time they are incurred. These costs, excluding a \$1 million deductible amount, are expected to be offset by an insurance claim recovery.

BACKGROUND

On April 19, 2008, a collision occurred between a two car train and a four car train at the north end of the run around track at Wilson Yard. Four of the six cars (vehicles 5184, 5185, 5326 and 5327) sustained extensive damage, rendering them inoperable. Damage to these cars is extensive and due to the complex engineering and material issues, as well as facility and workforce availability, the scope of work required is beyond the in-house capabilities of the Commission. Bombardier Inc. is the original carbuilder, and therefore is the only known company capable of performing these repairs, as they have the resources, equipment, moulds, design, manufacturing processes, expertise and facility capabilities to properly perform the necessary repairs.

On May 26, 2008 Bombardier staff conducted a preliminary damage assessment to determine whether the cost of repair was a fiscally viable option. The Rough Order of Magnitude repair cost was estimated at 3.6 million dollars, with shipping and testing costs anticipated to be an additional 0.2 million dollars.

A Scope of Work was drafted to form the basis of a Contract between the Toronto Transit Commission and Bombardier Inc. This scope of work outlines that cars 5184, 5185, 5326 and 5327 will be repaired, altered and modified through the use of authorized repair procedures, existing tooling and fixtures to ensure the restoration of the vehicles to their original specification. It is estimated that repairs will be completed six to eight months from the time of receipt at the Contractor's facility.

DISCUSSION

A Request for Proposal (RFP) was issued to Bombardier Inc. on November 21, 2008, on a single source basis, for the loading and shipping of T1 Subway Cars 5184, 5185, 5326 and 5327 to their plant in Thunder Bay for repair and testing. Staff anticipates receiving a formal response to the RFP mid December 2008 and will negotiate acceptable terms and pricing within the recommended upset limit.

The TTC currently employs a Vehicle Inspector in Bombardier’s Thunder Bay Plant under the Toronto Rocket contract. The Vehicle Inspector would inspect the repair work as it progresses in Thunder Bay.

JUSTIFICATION

Due to the extensive damage to these cars, staff has concluded that their repair is beyond the resource and facility capabilities of the Commission. T1 Subway Cars 5184, 5185, 5326 and 5327 can be expected to deliver another 20 years of service provided that they are returned to the original specification. The anticipated repair and associated costs are considered reasonable, when compared to the estimated average escalated cost of a T1 Subway Car under the original supply contract (which was completed in the fall of 2003), of approximately \$3 Million each, or to the cost of replacing them with a Toronto Rocket train set at approximately \$14 million. As the production line for T1 type Subway Cars has been dismantled, the production of only four new T1 type Subway Cars is not possible without very significant special production costs. Staff recommends that the required repairs should be undertaken by the original T1 carbuilder, Bombardier Inc. on a single source basis, as they do have the resources, expertise and facility capabilities to properly perform the necessary repairs in a timely manner.

December 2, 2008
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