
**TORONTO TRANSIT COMMISSION
REPORT NO.**

MEETING DATE: APRIL 18, 2007

SUBJECT: Procurement Authorization - Supply Of Webasto Parts

RECOMMENDATION

It is recommended that the Commission authorize the award of three-year inventory supply contracts for the supply of various Webasto parts to the following companies in the upset limit amounts indicated (including applicable taxes) for the period from July 2007 to July 2010:

- International Power Systems Incorporated for \$696,000;
- Harper Power Products Incorporated for \$2,000;
- MCI Service Parts, Incorporated for \$1,000.

FUNDING

Sufficient funds have been included 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 Webasto parts are used for the Commission's bus heating system.

DISCUSSION

Proposals were invited from ten known suppliers of Webasto parts coupled with an advertisement on the TTC internet website on February 9, 2007. Seven companies submitted proposals as summarised in Appendix 'A'.

The proposal called for 74 pre-approved part types. Proponents were also advised that alternatives would not be considered during the evaluation. All 74 part types are being recommended for award.

Unless otherwise stated below, the bidders did not state any exceptions or qualifications and are considered compliant.

International Power Systems Incorporated (IPS) submitted prices on all 74 part types and has the lowest price on 71 part types. However, IPS failed to indicate which specific manufacturer's part number they were supplying for one part which is unacceptable. IPS are recommended to be awarded an upset limit contract for \$696,000 for 70 part types.

Harper Power Products Incorporated submitted prices on all 74 part types and has the lowest price on 1 part type. They are recommended to be awarded an upset limit contract for \$2,000 for this 1 part type.

DaimlerChrysler Commercial Buses North America submitted prices on all 74 part types and has the lowest price on 1 part type however the total value of this part type is approximately \$100 which is too low to justify the additional cost of administering an additional contract for 3 years. This part type has been de-selected and recommended for award to MCI Service Parts Incorporated. The difference between the two vendors' pricing submission on this part type is approximately \$11. Therefore DaimlerChrysler Commercial Buses North America is not being recommended award of any part types.

MCI Service Parts, Incorporated submitted prices on all 74 part types and has the lowest price on 2 part types. Additionally, they are the lowest compliant price on the 1 part type that was de-selected from DaimlerChrysler Commercial Buses North America. They are recommended to be awarded an upset limit contract for \$1,000 for 3 part types.

The following companies submitted pricing, however they did not have the lowest price on any of the part types:

- Prevost Car, Incorporated
- New Flyer Industries Canada ULC

Western Toronto International Trucks submitted prices on 67 part types, however their proposal submission did not include the required Form of Proposal, thereby rendering their proposal as non-compliant and was not considered further.

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 17% lower in the first year of the contract. The pricing will be approximately 4% higher in year two compared to year one pricing and approximately 1% higher in year three compared to year two pricing.

JUSTIFICATION

These Webasto parts are required in order to support the bus fleet's heating system maintenance needs.

April 4, 2007
9-118-55
- Appendix 'A'

APPENDIX 'A'

SUPPLY OF WEBASTO PARTS

PROPOSAL SUMMARY

PROPONENT	NO. OF ITEMS PRICED	AMOUNT PROPOSED	NO. OF ITEMS RECOMMENDED	REC
International Power Systems Incorporated	74	\$582,934.84	70	
Harper Power Products Incorporated	74	\$785,608.03	1	
MCI Service Parts, Incorporated	74	\$734,564.08	3	
Daimler Chrysler Commercial Buses North America Limited	74	\$695,344.03	-	
Prevost Car, Incorporated	72	\$778,937.31	-	
New Flyer Industries Canada ULC	61	\$645,257.01	-	
Western Toronto International Trucks Incorporated *	67	\$700,748.00	-	

*** Non-Compliant**