

City of Mississauga

# Corporate Report



10.1

Date: October 25, 2022

To: Chair and Members of General Committee

From: Geoff Wright, P.Eng, MBA, Commissioner of  
Transportation and Works

Originator's files:

Meeting date:  
November 23, 2022

## Subject

**Vendors of Record Designations for the Supply and Delivery of Replacement Parts and Sublet Repair Services for MiWay Buses**

## Recommendation

1. That the vendors included in Appendix 1, attached to the corporate report dated October 25, 2022 from the Commissioner of Transportation and Works entitled "Vendors of Record for Replacement Bus Parts and Sublet Repair Services", be designated as Vendors of Record for the Supply and Delivery of Replacement Parts and Sublet Repair Services for MiWay Buses.
2. That the Chief Procurement Officer, or designate be authorized to execute annual contracts with each of the designated Vendors of Record, in the estimated amounts shown in Appendix 1 entitled "2022 Vendors of Record for Replacement Bus Parts and Sublet Repair Services", for the Supply and Delivery of Replacement Parts and Sublet Repair Services for MiWay Buses, as required.

## Executive Summary

- MiWay has identified vendors (Appendix 1) that meet its requirements for the supply and delivery of many replacement parts and repair services for MiWay buses from Original Equipment Manufacturers (OEM) and Vendors who maintain inventories for the prompt supply of OEM and generic bus parts and who can undertake sublet repairs.
- MiWay is updating its Vendors of Record previously approved under GC No.0500-2021 due to anticipated usage of bus aging, market fluctuations for spot buys and with two additional vendors for approval (Appendix 1).
- It will be cost effective and efficient to establish these Vendors as Vendors of Record.

## Background

Council has previously approved the designation of Vendor of Record for known vendors of replacement parts and sublet repair services for MiWay buses, ref GC No. 0500-2021.

The City continues to require the supply and delivery of many replacement parts for MiWay buses especially after warranty period to ensure timely maintenance and repairs. Original Equipment Manufacturers (OEM) parts are required to preserve warranties; generic parts are used where possible. Many bus maintenance and repair operations are sublet to OEM vendors when it is more efficient or cost effective to do so.

Parts availability and prompt delivery and service are key requirements. Staff have identified a roster of all known replacement bus part vendors who maintain inventories of a variety of OEM and generic parts and who can undertake sublet repairs. These vendors are located in proximity to MiWay operations. Accordingly, the vendors identified in Appendix 1, attached, are considered to be uniquely qualified.

Generic replacement bus parts are available from more than one vendor and are purchased by spot buying; OEM parts and repair services are purchased directly from the manufacturer or manufacturer's authorized dealer.

This report is to update the list of Vendors of Record previously approved under GC No.0500-2021 due to changes in anticipated usage demands and spot buys for approval (Appendix 1).

### Spot Buying

It is staff's practice to spot buy parts whereby competitive quotes are obtained. Spot buying of parts occurs daily with 10-25 different parts required in various quantities. Spot buying of services will be conducted when warranty is not jeopardized. Orders are placed with the vendors who provide the lowest prices and who can provide timely delivery.

This purchasing method has resulted in a continuous supply of parts and services at the lowest market prices. In addition, purchasing parts in this manner requires fewer stocked parts which minimize the cost associated with carrying inventories and obsolescence.

### OEM Vendors

OEM parts and sublet repair services are only available from the manufacturer or from the manufacturer's authorized dealer and will continue to be required until the manufacturer's buses are retired from the fleet.

The OEM vendors are single sources as defined in the Procurement By-law #0013-2022 which states under Schedule A, Section 1, (c) the goods and/or services are unique to one particular supplier and no reasonable alternative or substitute exists due to exclusive rights such as patent, copyright or license.

## Comments

The Vendors of Record should be established until such time as the parts they supply are no longer required or if the vendor fails to perform or ceases to carry on with business.

Furthermore, the roster of vendors is not closed. It is open to any vendor who can demonstrate that they are able to promptly provide OEM parts and services, appropriate generic parts and satisfactory references, subject to approval in accordance with By-law #0013-2022

By-law #0013-2022, Schedule B, further requires Council authority to award single/sole source contracts having a value of \$100,000 or more.

## Financial Impact

There are estimated \$1.6 million additional funds required resulting from the recommendations in this report and is included in the annual supply and delivery of required bus replacement parts and sublet repair services estimated at \$17,446,000 excluding taxes. Funds for this purpose are available in the operating budget subject to annual approval and in the capital budget that have available funding.

### Operating Budgets:

- Account 715353 and cost centres 23619, 23620 and 23621
- Account 715358 and cost centres 23619 and 23620
- Account 715355 and cost centre 23620
- Sufficient budgets exists in other accounts and cost centres.

### Capital Budgets:

- Approved funding is available in project 22203 and additional funding is forecasted in capital project 23203 which is included in the 2023 Business Plan pending Council approval.

## Conclusion

A variety of replacement bus parts and sublet repair services are required to maintain MiWay buses. Parts are purchased as required, through spot buying where it is possible to obtain quotes. It is advantageous for the City to spot buy replacement bus parts to ensure a continuous supply in a timely and low cost manner and to reduce costs associated with carrying inventories and obsolescence. OEM parts and repair services are only available from the manufacturers and their authorized dealers. MiWay is updating its Vendor of Record previously approved under GC No.0500-2021 due to anticipated change in usage demands and spot buys for approval (Appendix 1).

Staff recommend that the vendors of replacement bus parts and sublet repair services in Appendix 1 be designated as Vendors of Record.

## **Attachments**

Appendix 1: 2022 Vendors of Record for Replacement Bus Parts and Sublet Repair Services

A handwritten signature in black ink, appearing to read "G Wright", is positioned above a horizontal line.

Geoff Wright, P.Eng, MBA, Commissioner of Transportation and Works

Prepared by: Darren Ridings, Senior Manager, Transit Maintenance