

City of Mississauga Corporate Report



Date: July 10, 2020

To: Chair and Members of General Committee

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

Originator's files:

Meeting date:
September 9, 2020

Subject

Vendor 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, be designated as vendors of record for the supply and delivery of replacement parts and sublet repair services for MiWay buses.
2. That the Purchasing Agent be authorized to execute annual contracts with each of the designated vendors of record, in the estimated amounts shown in Appendix 1, for the supply and delivery of replacement parts and sublet repair services for MiWay buses, as required.

Report Highlights

- MiWay has identified vendors (ref 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 vendor of record previously approved under GC No.610-2019 due to anticipated usage demands and with three (3) additional vendors for approval (ref. 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. 0610-2019.

The City continues to require the supply and delivery of many replacement parts for MiWay buses 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.610-2019 due to an increase in anticipated usage demands and with three (3) additional vendors for approval (ref. 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. 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 at the lowest possible 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 sole sources as defined in the Purchasing By-law #374-2006 which states under Schedule A, Section 1, (a) the goods and/or services are only available from one supplier by reason of: (iii) the existence of executive rights such as patent, copyright or licence.

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 #374-2006

By-law #374-2006 further requires Council authority to award single/sole source contracts having a value of \$100,000 or more.

Financial Impact

There are no additional financial impacts resulting from the recommendations in this report. The annual estimate for supply and delivery of required bus replacement parts and sublet repair services is \$15,416,000 excluding taxes. Funds for this purpose are available in the below operating and Capital accounts:

Operating accounts:

Cost centre	Cost Element
23619 TRANSIT BODY SHOP	715353 VEHICLE MTCE RELIEF
23619 TRANSIT BODY SHOP	715358 VEHICLE-SUBLET-OTHER
23620 TRANSIT VEHICLE REPAIR CENTRAL PARKWAY	715353 VEHICLE MTCE RELIEF
23620 TRANSIT VEHICLE REPAIR CENTRAL PARKWAY	715355 VEHICLE MTCE/OTHER
23620 TRANSIT VEHICLE REPAIR CENTRAL PARKWAY	715358 VEHICLE-SUBLET-OTHER
23621 TRANSIT VEHICLE REPAIR-MALTON	715353 VEHICLE MTCE RELIEF

Capital accounts:

Project	Cost Element
20203 Transit Cap Bus Maintenance - Major Component Rehab/Replacement	715356 VEHICLE-SUBLET-ENGINES
20203 Transit Cap Bus Maintenance - Major Component Rehab/Replacement	715357 VEHICLE-SUBLET-TRANSMISSIONS

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.610-2019 due to anticipated usage demands and with three (3) additional vendors for approval (ref. 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: Vendors of Record for Replacement Bus Parts and Sublet Repair Services



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

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