

Date: 2021-10-05

Subject: Request to Begin Procurement – Supply and Delivery of Cummins Engine Parts for Transit Buses for a Three (3) Year Period

Secondary Title: Request to Begin Procurement - Supply and Delivery of Cummins Engine Parts for Transit Buses

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Report Number: Brampton Transit-2021-1115

Recommendations:

1. That the report titled; **Request to Begin Procurement – Supply and Delivery of Cummins Engine Parts for Transit Buses for a Three (3) Year Period**, to the Committee of Council meeting of October 27, 2021, be received; and
2. That the Purchasing Agent be authorized to begin the procurement for the **Supply and Delivery of Cummins Engine Parts for Transit Buses for a Three (3) Year Period**.

Overview:

- This report seeks to obtain Council approval to begin the procurement for the **Supply and Delivery of Cummins Engine Parts for Transit Buses for a Three (3) Year period with Two (2) Additional One (1) Year Optional Renewal Periods**;
- An ongoing supply of genuine Cummins engine parts is required to facilitate repairs of bus engines to maintain transit services to the Community;
- Transit's current contracts are set to expire on **March 31, 2022**.

Background:

Transit's current contracts for the supply and delivery of Cummins engine parts were implemented in early 2019 as a result of a competitive procurement process. These contracts were established for a three (3) year period, allowing transit staff to order parts on an as-and-when required basis. Establishing two (2) contracts provides contingency measures that ensure an uninterrupted supply of parts at all times.

Transit's current contracts are set to expire on March 31, 2022.

Current Situation:

While the current contracts have two (2) options available to renew beyond the initial three (3) year term, Transit staff request Council approval to issue a competitive procurement. This is primarily rationalized by an anticipated increase in the volumes of purchases in the foreseeable future, which should in turn provide incentives for qualified bidders to offer competitive pricing proposals. As transit bus parts prices undergo frequent pricing fluctuations in the marketplace, issuing a competitive procurement may provide an opportunity for the City to secure attractive pricing discounts over a subsequent contract period.

While aftermarket parts exist in the marketplace, staff request purchases of genuine Cummins engine parts only, as they meet the highest quality and safety standards. Furthermore, the use of original equipment manufacturer (OEM) parts, will ensure appropriate warranty coverage is provided by the bus and/or engine manufacturer, in the event of premature failure.

To continue to ensure a seamless supply of Cummins parts at all times, staff request that the City establishes contracts with up to two (2) qualified suppliers.

Corporate Implications:

Having new blanket contracts in place will ensure that Brampton Transit has the required resources available to properly maintain its fleet of urban transit buses. This will ensure that an adequate number of buses is available at all times to meet the operational requirement of providing an efficient transit service to the citizens of Brampton.

Purchasing Comments:

A public Procurement Process will be conducted and the lowest compliant Bids will be eligible for contract award. Purchase approval shall be obtained in accordance with the Purchasing By-law.

All communication with Bidders involved in the procurement must occur formally, through the contact person identified in the Bid Document.

Financial Implications

Funding for the supply and delivery of Cummins engine parts for a 3-year period will be available through the Goods and Service Inventory account number 720000.001. As the parts are used, they will be expensed through Vehicle Repairs and Maintenance account numbers 200214.001.2305.0001 and 200214.001.2805.0001. There is no impact to the 2021 budget and Transit staff will ensure sufficient funding is requested in future years, pending Council approval.

This will be an upset limit contract, with no guarantees of spend. Any unused funds shall be retained by the City, on contract closure.

Term of Council Priorities:

An uninterrupted supply of bus parts is required for a seamless delivery of Transit services to the Community, helping achieve the City's Strategic Plan of Move and Connect.

Living the Mosaic – 2040 Vision

This report directly aligns with the vision that Brampton will be a mosaic of safe, integrated transportation.

Conclusion:

It is recommended that Council authorize the Purchasing Agent to commence the procurement as described in this report.

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