



**STAFF REPORT
ACTION REQUIRED**

Sole Source Contract for the Supply of Proprietary Replacement Parts and Components for Various Crash Cushion Safety Systems.

Date:	December 14, 2007
To:	Public Works and Infrastructure Committee
From:	General Manager, Transportation Services Director, Purchasing and Materials Management
Wards:	Wards – Various
Reference Number:	P:\2007\Internal Services\pmmd\pw07039pmmd (AFS #6635)

SUMMARY

The purpose of the report is to request authority to issue a sole source contract to Lecol Inc. for the Supply of Proprietary Replacement Parts and Components for Various Crash Cushion Safety Systems currently used by the Transportation Services at various locations within the City of Toronto.

RECOMMENDATIONS

The General Manager of Transportation Services and the Director of Purchasing and Materials Management recommend that:

1. A source sole contract be issued to Lecol Inc., the exclusive Ontario distributor, for the Supply of Proprietary Replacement Parts and Components for Various Crash Cushion Safety Systems in the estimated amount of \$900,000.00 net of GST from February 1, 2008 to December 31, 2011.

FINANCIAL IMPACT

The total potential sole source contract award identified in this report is \$941,666.66 including all taxes and charges. The total potential cost to the City is \$900,000.00 net of GST.

Funding in the amount of \$150,000.00 net of GST in 2008 is available in account TP0333 – Roadway Expressway Operations, as part of the recommended 2008 Transportation Services Division Operating Budget. The following three (3) annual requirements of \$250,000.00 net of GST for the periods from January 1 to December 31, 2009; January 1 to December 31, 2010; and January 1 to December 31, 2011 totalling \$750,000.00 net of GST will be included in the subsequent year's Transportation Services Operating Budget submissions. It is noted that some recoveries of these costs are achieved through third party auto insurance liability payments.

The breakdown by year is as follows:

Firm	Feb 1 – Dec 30 2008 (net of GST)	Jan 1 – Dec 31 2009 (net of GST)	Jan 1- Dec 31 2010 (net of GST)	Jan 1 – Dec 31 2011 (net of GST)
Lecol Inc.	\$150,000.00	\$250,000.00	\$250,000.00	\$250,000.00

ISSUE BACKGROUND

Transportation Services maintains roadway crash cushion safety systems on the expressways and arterial road networks throughout the City. These systems are commonly found at interchange bullnoses, bridge columns and around other potential roadside hazards, as well as mounted on some of the Division's safety vehicles. These systems are installed to protect motorists from hazards on the roadway. The crash cushion safety systems are frequently struck by vehicles and require ongoing maintenance to ensure they work safely. Transportation Services staff are responsible for the timely repair/replacement to the damaged crash cushion safety systems.

Many crash cushion safety systems were installed years ago employing technology of Energy Absorption Systems Inc. as distributed by the Lecol Inc. (Lecol). Lecol is the exclusive and only licensed supplier of Energy Absorption Systems Inc.'s proprietary replacement parts and components for these systems for the Provinces of Ontario and Manitoba.

The Transportation Services Division has previously sole sourced the purchase of these parts and components from Lecol under City purchasing procedures and received

approval as recorded in Report No.3 of the Works Committee dated May 18, 19 and 20, 2004.

<https://netstorage.toronto.ca/oneNet/NetStorage/DriveQ%40QRY/2004/Council/Minutes/040518.ccg.doc>

In view of the purchases for these products over the past several years and ongoing Transportation Services Division requirements and in accordance with the Procurement Processes Policy as adopted by Council at its meeting held on July 21 and 22, 2004, Report No. 5, Clause 7 of the Administration Committee, revised by Council at its meeting held on September 25, 26 and 27, 2006, Report No. 6, Clause 6, the Transportation Services Division requires Council approval to enter into a sole source contact with Lecol.

COMMENTS

All replacement parts and components for the existing crash cushion safety systems are only available through Lecol who has exclusive distributor rights in Ontario and Manitoba. The majority of crash cushion safety systems in use in Ontario are supplied through Lecol. Next to the Province of Ontario, the City of Toronto is the second largest user followed by the Government of Canada. All three product users enjoy the same preferential pricing when compared to other Lecol customers. Transportation Services is seeking the Government Management Committee and Council approval to enter into a sole source contract with Lecol for the period commencing February 1, 2008 and ending December 31, 2011.

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SIGNATURES

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