

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: MAY 6, 2010

SUBJECT: LOW FLOOR LIGHT RAIL VEHICLES – ASSIGNMENT OF
OPTION FOR TRANSIT CITY VEHICLES

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

- 1) Approve the assignment of the option(s) to purchase additional Low Floor Light Rail Vehicles, as set out in the agreement between the Toronto Transit Commission and Bombardier Transportation Canada Inc., dated June 30th, 2009 (“Legacy LRV Contract”), to Metrolinx based on the number of vehicles required by Metrolinx; and,
- 2) Delegate authority to the Chief General Manager to execute any and all necessary agreements related to the assignment of any, or all, optional Low Floor Light Rail Vehicles to Metrolinx.

FUNDING

There is no funding impact related to the approval of the assignment of the option(s) to purchase additional Light Rail Vehicles as set out in the Legacy LRV Contract.

BACKGROUND

In January 2009, the TTC issued a Request for Proposals for the design and supply of 204 Low Floor Light Rail Vehicles (“LFLRV”) to be operated on existing TTC streetcar routes (“Legacy System”), with an option to purchase an additional 400 LFLRVs for the new Transit City lines (“TTC LFLRV RFP”). Two bids were received prior to the bidding period closing deadline.

At the April 27, 2009, Commission Meeting, staff recommended an award of a contract for the design and supply of 204 LFLRV to Bombardier Transportation Canada Inc. (“Bombardier”) which recommendation was approved by the Commission. The award was subject to receipt of funding commitments.

On June 26, 2009, City of Toronto Council approved all necessary funding commitments required for the design and supply of the 204 LFLRVs. Upon receipt of City of Toronto Council approval, the TTC issued a notice of award to Bombardier. On June 30th, 2009, the TTC and Bombardier executed the Legacy LRV Contract.

As part of the Legacy LRV Contract, there is a provision allowing for the Commission, at its sole discretion, to purchase up to 400 additional LFLRVs (“Contract Option Provision”) for use on the new Transit City Light Rail Projects.

DISCUSSION

Over the last six months, TTC, Metrolinx and an independent international transit vehicle consulting firm have evaluated various procurement alternatives with respect to vehicles required for Transit City. Metrolinx, with the unanimous support of its Board of Directors, concluded that entering into negotiation with Bombardier to exercise the option, as set out in the TTC Legacy LRV Contract, would obtain the best value for Ontario.

Metrolinx has now requested that the Commission assign to Metrolinx all or a portion of the Contract Option Provision which would allow Metrolinx at its discretion, to exercise the option to purchase additional LFLRVs. The actual number of option LFLRVs to be assigned to Metrolinx is unknown at this time and will be subject to a final determination by Metrolinx.

Should the Commission approve the assignment of a portion of the Contract Option Provision, the decision by Metrolinx on whether to exercise the option will be subject to negotiations as between Metrolinx and Bombardier.

JUSTIFICATION

The assignment of a portion of the Contract Option Provision will allow Metrolinx to enter into negotiations with Bombardier and if agreeable terms are negotiated to exercise the option to purchase additional LFLRVs to be used on Transit City Projects.

April 15, 2010
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