

RE: QUOTATION FOR FORD TRUCK PARTS

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Finance be adopted.

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TO: MUNICIPAL MANAGER

1987 January 28

FROM: DIRECTOR FINANCE

RE: QUOTATION FOR FORD TRUCK PARTS

RECOMMENDATION:

1. THAT a purchase order be issued to the lowest acceptable bidder, Metro Motors Ltd., to supply O.E.M. Ford truck parts for a period of two years commencing 1987 February 10 for a total estimated cost of \$120,000.00 with payments based on the Ford Master Price List #PA750, lowest price column, plus 10% markup.

REPORT

Five quotations for the subject parts were received in Purchasing and have been evaluated for conformance to our requirements by Purchasing and Engineering staff.

The contract calls for the supply and delivery of Ford truck parts as required. Since the Corporation maintains only a limited inventory of Ford truck parts, most deliveries are required on a rush basis to minimize the downtime of the vehicle(s) being repaired. For this reason key factors in the evaluation were service capabilities as well as cost. The cost comparison attached (Attachment A) had all the bidders respond to a small parts sampling list with prices arrived at from their fixed discount or markup from the Ford Master Price List #PA750, common to all.

The lowest quotation, that of Kensington Ford Sales, is not satisfactory for the following reasons. They are primarily an automotive outlet with a minimum inventory of truck parts. For them to locate and pick up unstocked parts from other sources and then deliver to our works yard would take too long and is unacceptable for emergency situations. Also, their net low price is based on a 5% discount for payment received within 10 days. For us to receive that discount would require that each day's invoices be processed as a special payment, which would create additional cost and inconvenience to the Corporation. Our Accounting Department estimates that each special payment costs us \$15.00 to process, which more than offsets any perceived savings. For these reasons, the quotation from Kensington Ford Sales was eliminated from further consideration.

Metro Motors Ltd., the second lowest quotation, has been our Ford truck parts supplier for over four years and has given us satisfactory service during this time.

The Director Engineering concurs with the above recommendation.



Howard Karras
DIRECTOR FINANCE

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cc: Director Engineering

ITEM 11
 MANAGER'S REPORT NO. 8
 COUNCIL MEETING 87/02/02

1986 December 17

QUOTATION TABULATION

FORD TRUCK PARTS

Delivery Information				No. of Vehicles	Net Price	Payment Terms	Comparative Costs - Parts Sampler	Name
Daily Frequency	Radio Controlled	Speed	as required					
as required	no (beepers)	1 hour	30 min.	3	\$510.06	5% - 10 days	\$536.91	1. Kensington Ford Sales
as required	yes	30 min. (stock)	1 hour	2	\$593.16	2% - 15th mo. follow.	\$605.27	3. Totem Mercury Sales
as required	yes	30 to 60 min.	30 to 60 min.	5	\$511.71	2% - 30 days	\$522.15	4. Metro Motors Ltd.
5 times	yes	30 to 60 min.	60 min.	2	\$602.71	net	\$602.71	5. Stadium Motors Ltd.

