

Ref: 2006-09-I(02)

August 2, 2006

POLICY AND FINANCE COMMITTEE:

City Council on July 25, 26 and 27, 2006, referred the following Motion to the Policy and Finance Committee:

I(2) Sole Source Negotiation with Bombardier Inc. for the Purchase of TTC Subway Cars

Moved by Councillor Minnan-Wong, seconded by Councillor Stintz

“WHEREAS the Toronto Transit Commission (TTC) adopted a Resolution to enter into a sole source negotiation with Bombardier Inc. for the purchase of subway cars; and

WHEREAS the potential cost of the subway cars could exceed \$700,000,000.00 and, when combined with a service agreement, the cost of this contract over the life of the subway cars could exceed \$1 billion; and

WHEREAS the former Chief General Manager of the TTC recommended that this contract be put out for competitive bids; and

WHEREAS competitive bids are recognized as the best process for ensuring the best proposal, the best product and the best price; and

WHEREAS a competitive bid promotes an open and transparent process and builds confidence in the public that their tax dollars are being used wisely; and

WHEREAS the current closed process gives Bombardier an unfair advantage; and

WHEREAS the former Chief General Manager has indicated that the process of purchasing the subway cars has been a ‘fiasco’ and has resulted in political interference; and

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WHEREAS the Canadian Auto Workers (CAW) has lobbied aggressively to make sure that Bombardier wins this sole source contract; and

WHEREAS it appears from all facts and circumstances that closed-door, ‘backroom deals’ have been made to secure this contract for Bombardier and the CAW; and

WHEREAS any sole source contract process has been tainted by political interference and it is no longer possible for the public to have confidence in the award of a contract to Bombardier Inc.; and

WHEREAS the new *City of Toronto Act* allows Council to set policy and operational direction for the TTC;

NOW THEREFORE BE IT RESOLVED THAT the City of Toronto request the TTC to end negotiations with Bombardier Inc. for the purchase of subway cars;

AND BE IT FURTHER RESOLVED THAT the City of Toronto request the TTC to enter into a competitive bidding process for the replacement of its subway cars;

AND BE IT FURTHER RESOLVED THAT, if the TTC refuses to follow measures that will protect the integrity of the City by opening up the purchase of subway cars for competitive bid, this matter be referred to the Budget Advisory Committee to consider the amount it funds the TTC and its accountability to the taxpayers and the commuters in the City of Toronto.”

Council also considered the following:

- (1) 177 communications submitted by Councillor Moscoe, Ward 15, Eglinton-Lawrence [Communication 12(a)(1)];
- (2) (June 28, 2006) News Release from Councillor Denzil Minnan-Wong, Ward 34, Don Valley East, and Councillor Karen Stintz, Ward 16, Eglinton-Lawrence, submitted by Councillor Stintz [Communication 12(a)(2)];
- (3) Petition containing approximately 2,633 form letters and a separate document containing 38 signatures regarding the sole source negotiation with Bombardier Inc. for the purchase of TTC subway cars, submitted by Councillor Moscoe, Ward 15, Eglinton-Lawrence [Communication 12(a)(3)];

- (4) 118 communications signed by residents of Thunder Bay and submitted by Bombardier Inc., Thunder Bay [Communication 12(a)(4)]; and
- (5) 143 communications signed by residents of Thunder Bay and Northwestern Ontario and submitted by Mayor Lynn Peterson, City of Thunder Bay [Communication 12(a)(5)].

for City Clerk

M. Toft/cd

Attachments