

October 24, 2008

Ms. Ulli Watkiss
City Clerk
City of Toronto
Toronto City Hall
100 Queen Street West
Toronto, Ontario
M5H 2N2

Dear Ms. Watkiss:

At its meeting on Thursday, October 23, 2008, the Commission considered the attached report entitled, "Procurement Authorization Amendment – Option to Purchase 120 Forty-Foot Low Floor Clean Diesel City Buses."

The Commission approved the Recommendation contained in the report, as listed below:

"It is recommended that the Commission note that further to the approval received on August 27, 2008 (report 5(d), to award the contract options for 120 hybrid buses, based on the issues outlined in this report, staff now recommend that the Commission:

- 1) Authorize staff to exercise the contract option with Daimler Buses North America Ltd. (Daimler) in an amount of \$40,088,969.94 including all taxes, for the purchase of 80 forty-foot low floor clean diesel Orion VII NG buses for delivery in 2010 with the option to be exercised no later than October 31, 2008, and
- 2) Authorize staff to exercise the contract option with Daimler Buses North America Ltd. (Daimler) in an amount of \$20,044,484.97 including all taxes for the purchase of a supplementary order of an additional 40 forty-foot low floor clean diesel Orion VII NG buses also for delivery in 2010 with the option to be exercised no later than October 31, 2008, subject to the approval by Council of the City of Toronto, and
- 3) Forward a copy of this report to the City of Toronto for consideration by Council in conjunction with the August 27, 2008 report request."

The Commission also approved the following ancillary motions:

1. That staff be given authority to delay the award to Daimler for the optional 120 clean diesel buses until satisfactory resolution of the battery problems on the TTC's existing hybrid fleet is achieved, and that staff alternatively be authorized to award the 120 clean diesel buses to an alternate supplier.

2. That staff continue its efforts to amend the existing contract with Daimler for 130 hybrid buses for delivery in 2009 to change the order to clean diesel buses including examining the impact on federal and provincial funding for those buses; and further, that staff explore the impact of delaying or terminating the existing 130 hybrid bus contract with Daimler.

The foregoing is forwarded to City of Toronto Council for consideration at its meeting on October 29, 30, 2008 in conjunction with Executive Report 24.23 entitled, "Procurement Authorization Amendment – Option to Purchase 120 Forty-Foot Hybrid Low Floor City Buses."

Sincerely,

Vincent Rodo
General Secretary
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Attachment