Minutes - Executive Policy Committee – September 21, 2006

Minute No. 653
Report - Standing Policy Committee on Infrastructure Renewal and Public Works - September 12, 2006

Item No. 2 Award of Contract for North End Water Pollution Control Centre Centrate Nutrient Treatment - Nitrogen Removal Facility File GL-9

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works and submits the following to Council:

1. That a contract for Bid Opportunity No. 291-2006 be awarded to M.D. Steele Construction Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of $23,641,086.00, GST and MRST extra as applicable.

2. That the expenditures be authorized before the 2007 Capital Budget is adopted in the amount of $2,720,000 for this project as a first call on the 2007 Capital Budget to allow completion.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Minutes - Executive Policy Committee – September 21, 2006

Report - Standing Policy Committee on Infrastructure Renewal and Public Works – September 12, 2006

DECISION MAKING HISTORY:

Moved by Councillor Clement,

That the recommendation of the Standing Policy Committee on Infrastructure Renewal and Public Works be concurred in and forwarded to Council.

Carried

STANDING COMMITTEE RECOMMENDATION:

On September 12, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendations and submitted the matter to the Executive Policy Committee and Council.

RE: AWARD OF CONTRACT FOR NORTH END WATER POLLUTION CONTROL CENTRE CENTRATE NUTRIENT TREATMENT - NITROGEN REMOVAL FACILITY BID OPPORTUNITY NO. 291-2006

FOR SUBMISSION TO: THE STANDING POLICY COMMITTEE ON INFRASTRUCTURE RENEWAL AND PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: The Director of the Water and Waste Department

REPORT DATE: August 29, 2006

RECOMMENDATION(S):

That a contract for Bid Opportunity No. 291-2006 be awarded to M.D. Steele Construction Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of $23,641,086.00, GST and MRST extra as applicable, and that Council authorize expenditures before the 2007 capital budget is adopted in the amount of $2,720,000 for this project as a first call on the 2007 capital budget to allow completion.

Report Summary

KEY ISSUES: The Standing Policy Committee on Infrastructure Renewal and Public works has the authority to approve the award of a contract that exceeds $10,000,000.00.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

X	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract
	Comment:

Policy Implications

X	No
	Yes - Comment(s)

Regulatory Implications

X	None
	Eliminates or reduces regulatory impact
	Proposes regulatory impact
	Comment(s):

Environmental Implications

	No
X	Yes - Comment(s): Reduction of Nitrogen at the NEWPCC in the Centrate side-stream, in concert with nutrient reduction at the WEWPCC, will meet the interim nutrient reduction targets established for Lake Winnipeg by the Province in February 2003.

Human Resources Implications

	No
X	Yes - Comment(s): Additional staff will be required to operate and maintain the expanded facility.

Financial Implications

X	Within approved current and/or capital budget
	Current and/or capital budget adjustment required

Comment: Funds for this award of contract are included in the approved Capital Budget.

REPORT

REASON:

The total bid amount exceeds $10,000,000.00, therefore the award must be approved by The Standing Policy Committee on Infrastructure Renewal and Public Works pursuant to the Materials Management Policy.

HISTORY:

Funds in the amount of $31,350,000.00 have been approved in the 2003 to 2006 Capital Budget for the Centrate Nutrient Reduction Treatment - NEWPCC Project; Account No. 444-181000-200752-20310011xx.

DISCUSSION:

The work of this contract consists of the construction of the Nitrogen Removal for the NEWPCC Centrate Side-stream. Nitrogen removal will be achieved by a biological process. The treated centrate is returned to the head of the plant.

The major components of the Work are as follows:

(a) Construction of new structures with associated mechanical and electrical systems for:

(i) Two sequencing batch reactors
(ii) One equalization tank
(iii) One blower building
(iv) One exhaust air fan building
(v) One exhaust stack
(vi) Chemical storage and feeding facilities

(b) Upgrade, additions, and modifications to the electrical supply system and the distributed control system (DCS).

The Bid Opportunity closed on August 10, 2006, with bids being received as follows:

M.D. Steele Construction Ltd.	$23,641,086.00
Bird Construction Company	$26,262,085.00

The total cost of the project including the contract works, an allowance for Engineering and 7% Manitoba Retail Sales Tax on applicable items, will be $26,494,993.00 which is within the budget funds provided.

Although there are sufficient funds available in the project budget to enable award of this contract, the estimated residual funds after award may be insufficient should extra work or charges arise through construction. An additional $2,720,000.00 has been requested in the 2007 Capital Budget to cover these contingencies. As a result it is therefore recommended that Council authorize expenditures before the 2007 capital budget is adopted in the amount of $2,720,000 for this project as a first call on the 2007 capital budget to allow completion.

Engineering staff of this Department is satisfied that the low Bidder has the necessary resources to perform all of the work in accordance with the requirements of the specifications. The low Bidder has satisfactorily carried out previous construction works of a similar nature.

The recommended Contractor has a Certificate of Recognition provided by the Construction Safety Association of Manitoba, Certification No. 21506-05-4.

The Manager of Materials Management Branch has advised that each of the bid submissions was accompanied by a bid bond and an agreement to bond, which have been certified by the Legal Services Division.

The financial status of the Centrate Nutrient Reduction Treatment – NEWPCC Project is as follows:

Authorized Capital		$31,350,000.00
Amount of Previous Awards or Expenditures	$ 3,696,317.00	
Amount of this Award	$23,641,086.00	
Estimated Engineering Costs (Earth Tech)	$ 2,612,035.00	
Estimated Manitoba Retail Sales Tax	$ 241,872.00	
Total Estimated Cost	$30,191,310.00	$ 30,191,310.00
Estimated Residual		$ 1,158,690.00

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until November 8, 2006.

FINANCIAL IMPACT:

The following financial impact statement for this project has been prepared in accordance with the recommendation adopted by Council on December 13, 2000.

Financial Impact Statement

Date: August 28, 2006

Project Name: **First Year of Program** **2006**

NORTH END WATER POLUTION CONTROL CENTRE CENTRATE NUTRIENT TREATMENT - NITROGEN REMOVAL FACILITY, BID OPPORTUNITY NO. 291-2006

	2006	2007	2008	2009	2010
Capital					
Capital Expenditures Required	$ 4,503,964	$ 17,526,071	$ 4,464,958	$ -	$ -
Less: Existing Budgeted Costs	4,503,964	17,526,071	4,464,958	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 11,991	$ 17,987	$ 7,195	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 11,991	$ 17,987	$ 7,195	$ -	$ -
Less: Existing Budget Amounts	11,991	17,987	7,195	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funds for this project are included in the approved Capital Budget. The contract amount is eligible for Canadian Strategic Infrastructure Fund cost sharing of up to 50% of the contract amount, with the remainder funded by the Environmental Reserve.

je
16-Aug-06

Moira L. Geer C.A.
Manager of Finance & Administration

3016

IN PREPARING THIS REPORT THERE WAS:

Internal Consultation With and Concurrence By:

Corporate Services, Legal Services Division
Corporate Finance, Materials Management Branch

External Consultation With: N/A

THIS REPORT SUBMITTED BY:

Water and Waste Department
Engineering Division
Prepared by: Karl Martens, P. Eng.
Processed by: Brenda Mark/John Elias
Fax No. 224-0032
File No. S-627-N

Attachment

c: Manager of Legal Services/City Solicitor, Corporate Services Department
Manager of Materials, Corporate Finance Department
N. Vollrath, Finance and Administration, Water and Waste Department
J. Elias, C.E.T., Water and Waste Department

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THE CITY OF WINNIPEG
WATER AND WASTE DEPARTMENT

BID TABULATION

THE WEST END WATER POLLUTION CONTROL CENTRE BIOLOGICAL NUTRIENT REMOVAL UPGRADE

Bid Opportunity No 291-2006 **File No.** S-627-N

Bidder	Total Bid Price	Completion Date	Deposit	Remarks
M.D. Steele Construction Ltd.	$23,641,086.00	March 15, 2008	Bid Bond	
Bird Construction Company	$26,262,085.00	March 15, 2008	Bid Bond	

Approved Capital	$ 31,350,000.00
Amount of Previous Awards	$ 3,696,317.00
Pre-Bid Estimate	$ 22,808,000.00
Recommended Amount	$ 23,641,086.00

DRAFT