Agenda – Executive Policy Committee – September 17, 2014

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

Item No. 4 Single Source Authorization and Award of Contract for North End Water Pollution Control Centre (NEWPCC) Dewatering Centrifuge #5 Refurbishment - Bid Solicitation No. 626-2014

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2014, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the following to Council:

1. That the single source negotiation for NEWPCC Dewatering Centrifuge #5 Refurbishment with B&P Process Equipment and Systems L.L.C be approved, pursuant to:

   A. B4.1 (e) the Materials Management Policy where the cost of solicitation of a competitive offers is reasonably anticipated to exceed the benefits thereof; and

   B. B4.1 (f) the Materials Management Policy where the compatibility of a purchase with existing facilities, equipment or services is the paramount consideration.

2. That, subject to the approval under recommendation 1, the Director of Water and Waste Department approves the award of contract for NEWPCC Dewatering Centrifuge #5 Refurbishment with B&P Process Equipment and Systems L.L.C. in the amount of $215,552.63 USD, GST, MRST and other US Federal, State and municipal taxes extra as applicable.

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

Agenda – Executive Policy Committee – September 17, 2014

Report – Standing Policy Committee on Infrastructure Renewal and Public Works – September 9, 2014

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 9, 2014, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: **SINGLE SOURCE AUTHORIZATION AND AWARD OF CONTRACT FOR NORTH END WATER POLLUTION CONTROL CENTRE (NEWPCC) DEWATERING CENTRIFUGE #5 REFURBISHMENT BID SOLICITATION NO. 626-2014**

Critical Path: **Standing Policy Committee on Infrastructure Renewal and Public Works, Executive Policy Committee and Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
Chris Carroll, P. Eng., Manager of Wastewater Services	D. P. Sacher, P. Eng. Director Water and Waste Department	G. Chartier A/CFO	M. Jack A/CAO

RECOMMENDATIONS

1. That Council approve the single source negotiation for NEWPCC Dewatering Centrifuge #5 Refurbishment with B&P Process Equipment and Systems L.L.C. pursuant to
    a. B4.1 (e) the Materials Management Policy where the cost of solicitation of a competitive offers is reasonably anticipated to exceed the benefits thereof; and
    b. B4.1 (f) the Materials Management Policy where the compatibility of a purchase with existing facilities, equipment or services is the paramount consideration.

2. That, subject to the approval under recommendation 1, the Director of Water and Waste Department approves the award of contract for NEWPCC Dewatering Centrifuge #5 Refurbishment with B&P Process Equipment and Systems L.L.C. in the amount of $215,552.63 USD, GST, MRST and other US Federal, State and municipal taxes extra as applicable.

REASON FOR THE REPORT

With the existing Materials Management Policy, the Chief Financial Officer has the authority to approve Single Source negotiations, not exceeding $1 million, under the authority delegated pursuant to Administrative Standard FM-002. However, with proposed amendments to the Materials Management Policy to be adopted by Council, per instruction from CFO, Council approval is recommended.

As the total conditional amount to be paid by the City pursuant to the contract does not exceed $2,000,000.00, the Director of the Water and Waste Department may award the contract under the authority delegated pursuant to Administrative Standard FM-002.

IMPLICATIONS OF THE RECOMMENDATIONS

Funding for this project is available from the approved Current Budget – Maintenance Materials – Account Distribution No. 444-534030-201108-999.

HISTORY

The North End Water Pollution Control Centre's biosolids dewatering facility has six dewatering centrifuges which were installed in 1990. These machines generally need to undergo routine maintenance after one year of running time.

On April 14, 2014, the Manager of Materials, via email approval, approved the single source negotiation for the inspection of NEWPCC centrifuge #5 with B & P Process Equipment and Systems L.L.C.. The equipment was then shipped to Houston, Texas for inspection.

Upon completion of inspection, it was discovered that maintenance was required on the conveyor, the bowl shell, the bowl front hub, the bowl rear hub, and the gear box.

On June 12, 2014 a quote was received from B & P Process Equipment and Systems L.L.C. for identified refurbishment work at the amount of $215,552.63 USD plus GST, MRST and other US Federal, State and municipal taxes as applicable for the repair.

Cost of shipping the centrifuge and the compatibility with the existing inspection services is anticipated to exceed the benefits of solicitation of competitive offers.

Wastewater Services staff are satisfied that B & P Process Equipment and Systems L.L.C. has the necessary resources and experience to perform all of the work as the contractor has carried out previous works of a similar nature.

The requirement for Bid and Performance Securities, and the execution of the formal contract were waived for this purchase in accordance with the authority delegated to the Manager of Materials Management pursuant to Administrative Standard FM-002.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 16, 2014

Project Name:

First Year of Program **2014**

SINGLE SOURCE AUTHORIZATION AND AWARD OF CONTRACT FOR NORTH END WATER POLLUTION CONTROL CENTRE (NEWPCC) DEWATERING CENTRIFUGE #5 REFURBISHMENT BID SOLICITATION NO. 626-2014

	2014	2015	2016	2017	2018
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
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	$ 231,310	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 231,310	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	231,310	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Funding for this project is available from the approved Current Budget – Maintenance Materials – Account Distribution No. 444-534030-201108-999. On 23 June 2014, 215,552.63 U.S. dollar(s) = 231,309.53 Canadian Dollar(s), at an exchange rate of 1.0731 (using nominal rate).

"Original signed by L. Szkwarek, for"
Moira L. Geer, C. A.
Manager of Finance and Administration

amc
24-Jun-14

CONSULTATION

In preparing this report there was consultation with:

Corporate Finance Department
Legal Services Department

SUBMITTED BY

Water and Waste Department
Wastewater Services Division
Prepared by: Richard Song
Date: August 8, 2014
File No. 020-01-04-02-00