

Minutes – Executive Policy Committee – September 15, 2026

REPORTS

**Item No. 5 Single Source Negotiation and Award of Contract for NEWPCC
Centrifuge #1 Repair and Refurbishment Project
Purchasing Reference No. 292-2026**

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and approved the following:

1. That a Single Source Negotiation for the NEWPCC Centrifuge #1 Repair and Refurbishment Project, be approved with Alfa Laval Inc., pursuant to B4.1(e) of the Purchasing Policy where the cost of solicitation of competitive offers is reasonably anticipated to exceed the benefits thereof.
2. 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 15, 2026

DECISION MAKING HISTORY:

Moved by Councillor Eadie,

That the recommendation of the Winnipeg Public be concurred in.

Carried

ADMINISTRATIVE REPORT

Title: Single Source Negotiation and Award of Contract for NEWPCC Centrifuge #1
Repair and Refurbishment Project
Purchasing Reference No. 292-2026

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
T. Josephson, P. Eng., MBA, Acting Manager of Wastewater Services	Tim W. Shanks, M. Eng., P. Eng., Director of Water and Waste Department	T. Graham	M. Dryburgh Acting for J. Dunford

EXECUTIVE SUMMARY

This report requests approval of a single source negotiation and award of contract to Alfa Laval Inc. for the North End Wastewater Treatment Plant (NEWPCC) Centrifuge #1 major service. The award is in the amount of \$287,995.84, GST and MRST extra as applicable.

This request follows the City's Purchasing Policy, which allows for single source awards when tendering is not expected to provide any savings.

Centrifuge #1 has almost 40 years of use, and mechanical issues have shut it down. Major disassembly is needed to completely assess the issue. The original equipment manufacturer is best suited to complete the work and minimize the downtime. Future maintenance on all six centrifuges will be done under a competitively bid multi-year maintenance contract.

This contract is financed from the annual Current Budget for NEWPCC Maintenance Materials Contracted Services. The recommendations of this report are compliant with the Purchasing Policy but not compliant with the applicable trade agreements.

RECOMMENDATIONS

1. That the Executive Policy Committee (EPC) approve a Single Source Negotiation for the NEWPCC Centrifuge #1 Repair and Refurbishment Project, with Alfa Laval Inc. pursuant to B4.1(e) of the Purchasing Policy where the cost of solicitation of competitive offers is reasonably anticipated to exceed the benefits thereof.
2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

REASON FOR THE REPORT

Executive Policy Committee (EPC) approval is required by Clause B8.1.1 of the City's Purchasing Policy. Clause B8.1.1 allows EPC to approve single source negotiation when otherwise not allowed by Trade Agreements. The Canadian Free Trade Agreement (CFTA) and the New West Partnership Agreement (NWPTA) do not consider cost for solicitation of competitive offers as a factor in exemption and the total value of the contract is above applicable single source thresholds.

IMPLICATIONS OF THE RECOMMENDATIONS

Funds for this contract are available from the annual Current Budget identified as NEWPCC Maintenance Materials Contracted Services – Account Distribution No. 444 534038 201108 999.

HISTORY/DISCUSSION

The NEWPCC Dewatering Building is equipped with six Sharples PM-76,000 centrifuges. Centrifuge #1 is approaching 40 years of service, and the last repair was completed in 2017. In October 2025, the unit experienced significant mechanical issues resulting in the centrifuge being taken out of service. An overhaul is required to restore the unit's functionality and prevent potential operational disruptions at the plant.

Major maintenance work on all six centrifuges is normally done by multi-year contract. The previous contract expired in August of 2025, and the Department is working on tendering and awarding the next contract in Q4 2026.

Given the limited timeframe and the fact that proper assessment of the issue requires disassembly of the equipment, Alfa Laval Inc., the original equipment manufacturer (OEM) of the centrifuge was contacted to carry out this work.

A single source negotiation is requested pursuant to:

- B4.1(e) of the Purchasing Policy where the cost of solicitation of competitive offers is reasonably anticipated to exceed the benefits thereof.

The Trade Agreements do not have an exception that would allow the Recommendation of this Report. However, the risk is low of a successful Trade Agreement complaint against the City in this situation. The cost of competitive solicitation is expected to exceed any savings. In addition, the work is urgently required, and competitive solicitation would not allow for the work to be carried out quickly. The OEM is best placed to conduct the repair within the limited timeframe. Clause B8.1.1 of the City's purchasing policy allows single source negotiations in these circumstances if approved by the Executive Policy Committee (EPC).

The total cost of the project is \$287,995.84, GST and MRST extra as applicable, which is within the approved budget funds provided. A Purchase Order will be issued in lieu of a formal contract. The terms and conditions (including the amended City of Winnipeg General Conditions

referenced therein) of Alfa Laval Inc. Quote #QU-2512-FWD-1563811 R6 SJA503442 are applicable to this contract.

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

The recommended Contractor has a workplace safety and health program meeting the requirements of The Workplace Safety and Health Act (Manitoba), as confirmed in a letter dated March 26, 2026, from an independent reviewer acceptable to the City (IQ Safety Solutions).

Wastewater Services staff of this Department are satisfied that Alfa Laval Inc. has the necessary resources to perform all of the work in accordance with the requirements of the specifications and that the price is fair and reasonable. Alfa Laval Inc. has satisfactorily carried out previous works of a similar nature.

The offer from Alfa Laval Inc. is open for acceptance until September 29, 2026.

FINANCIAL IMPACT**Financial Impact Statement**

Date: July 16, 2026

Project Name:

First Year of Program **2026**

SINGLE SOURCE AUTHORIZATION AND AWARD OF CONTRACT FOR NEWPCC CENTRIFUGE # 1
REPAIR AND REFURBISHMENT PROJECT
PURCHASING REFERENCE NO. 292-2026

	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	<u>2030</u>
<u>Capital</u>					
Capital Expenditures Required	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Funding Sources:</u>					
Debt - Internal	\$ -	\$ -	\$ -	\$ -	\$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Additional Capital Budget Required	<u>\$ -</u>				
Total Additional Debt Required	<u>\$ -</u>				
<u>Current Expenditures/Revenues</u>					
Direct Costs	\$ 287,996	\$ -	\$ -	\$ -	\$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	<u>\$ 287,996</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Existing Budget Amounts	<u>287,996</u>	-	-	-	-
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Funds for this contract are available from the annual Current Budget identified as NEWPCC Maintenance Materials Contracted Services – Account Distribution No. 444 534038 201108 999.					

bah
15-Jun-26

Tanis Yanchishyn, CPA, CA
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Manager of Finance and Administration

CONSULTATION

This Report has been prepared in consultation with:

- Legal Services Department (as to legal issues)
- Purchasing Division, Corporate Finance Department (as to procurement issues)

OURWINNIPEG POLICY ALIGNMENT

This report is in accordance with the OurWinnipeg 2045, Policy 2.17 Regional Water Resource Management, by protecting local and regional watershed resources from the negative impacts of development, flooding, and pollution.

Objective: Protect and value ecosystems as essential components to quality of life through municipal activities and urban environment.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Climate Action Plan (WCAP) and its Goals and Objectives. It was determined that the WCAP is not applicable to this specific report.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

Consideration was given as to whether this report connects to the Winnipeg Poverty Reduction Strategy (WPRS) and its Goals and Objectives. It was determined that the WPRS is not applicable to this specific report.

SUBMITTED BY

Department: Water and Waste
Division: Wastewater Services
Prepared by: Tao Chen, P. Eng., Maintenance Engineer
Date: July 17, 2026
File No.: S-1056