

**Minutes - Standing Policy Committee on Infrastructure Renewal and Public Works -
September 12, 2006**

REPORTS

**Minute No. 156 Award of Contract for the Winnipeg Water Treatment Program –
Supply and Installation of Water Treatment Plant Process
Mechanical and Electrical
File GL-9**

STANDING COMMITTEE RECOMMENDATION:

The Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation, namely:

1. That the bid submitted by Nor-Tec Electrical Ltd., be determined non-responsive.
2. That a contract for Alternative 1 of Bid Opportunity No. 742-2005 be awarded to Comstock Canada Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of \$36,950,000.00, GST and MRST extra as applicable.

**Minutes - Standing Policy Committee on Infrastructure Renewal and Public Works -
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DECISION MAKING HISTORY:

Moved by Councillor Thomas,

That the administrative recommendation be concurred in.

Carried

STANDING COMMITTEE DECISION:

On September 12, 2006, the Standing Policy Committee on Infrastructure Renewal and Public Works concurred in the administrative recommendation contained in the report dated September 5, 2006 with respect to the Water Treatment Program Financial Status Report No. 8 for the period from March 20, 2006 to July 31, 2006.

RE: AWARD OF CONTRACT FOR THE WINNIPEG WATER TREATMENT PROGRAM – SUPPLY AND INSTALLATION OF WATER TREATMENT PLANT PROCESS MECHANICAL AND ELECTRICAL BID OPPORTUNITY NO. 742-2005

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 14, 2006

RECOMMENDATION(S):

- 1) That the bid submitted by Nor-Tec Electrical Ltd., be determined non-responsive.
- 2) That a contract for Alternative 1 of Bid Opportunity No. 742-2005 be awarded to Comstock Canada Ltd., the lowest evaluated responsive bidder meeting the specifications in the amount of \$36,950,000.00, GST and MRST extra as applicable.

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

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | None |
| <input type="checkbox"/> | For the organization overall and/or for other departments |
| <input type="checkbox"/> | For the community and/or organizations external to the City of Winnipeg |
| <input type="checkbox"/> | Involves a multi-year contract |
- Comment:

Policy Implications

- | | |
|-------------------------------------|------------------|
| <input checked="" type="checkbox"/> | No |
| <input type="checkbox"/> | Yes - Comment(s) |

Regulatory Implications

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | None |
| <input type="checkbox"/> | Eliminates or reduces regulatory impact |
| <input type="checkbox"/> | Proposes regulatory impact |

Comment(s):

Environmental Implications

No
 Yes - Comment(s)

Human Resources Implications

No
 Yes - Comment(s)

Financial Implications

Within approved current and/or capital budget
 Current and/or capital budget adjustment required
Comment: Funds for this project 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:

Funding in the amount of \$227,342,000.00 has been approved in the 1994 to 2006 Capital Budget to undertake the Water Treatment Program. The account distribution for this project is 443 181000 200751 2002433200.

DISCUSSION:

The work of this contract consists of the supply and installation of mechanical and electrical systems for the water treatment plant.

The major components of the Work are as follows:

- (a) Installation of the following City supplied equipment:
 - (i) Dissolved air flotation and flocculation equipment
 - (ii) Four (4) raw water pumps, motors and variable speed drives
 - (iii) Ozone equipment
 - (iv) Filter troughs and underdrains
 - (v) Fourteen (14) sluice gates and three (3) flap gates
 - (vi) Five (5) 1350 millimetre butterfly valves and actuators
- (b) Supply and installation of the heating, ventilating and air conditioning system
- (c) Supply and installation of a fire detection and suppression system
- (d) Supply and installation of miscellaneous mechanical and electrical equipment required for the water treatment process and as indicated in the specifications and drawings.

The Bid Opportunity closed on July 6, 2006, with bids being received as follows:

	Alternative 1 – Mechanical and Electrical	Alternative 2 - Part 1 Mechanical Only	Alternative 2 - Part 2 Electrical Only
Comstock Canada Ltd.	\$36,950,000.00	-	-
ABCO Supply & Service Ltd.	\$46,174,500.00	-	-
Westwood Mechanical Inc.	-	\$29,999,777.00	-
Nor-Tec Electrical Ltd.	-	-	\$13,744,000.00*
Moreau Industrie**			

*It is recommended that the bid submitted by Nor-Tec Electrical Ltd., be determined to be non-responsive in accordance with B15.2. The Form A submitted only made the bid irrevocable for 60 days and the Form B submitted did not include the cash allowances for 2 items. These are significant discrepancies and should not be waived. Nor-Tec Electrical Ltd., acknowledged receipt of the addenda which included the revised Form A(R2) and Form B(R6).

**The bid received from Moreau Industrie was determined to be non-responsive by the Manager of Materials because they did not submit the required bid securities.

The Bid Opportunity provided that the City could choose, based on its best interests to award the contract as a whole (Alternative 1) or separately by parts (Alternative 2). Award as a whole is in the best interests of the City because it is the lowest cost.

The total cost of the contract including the contract works and an allowance of 10.4% for Engineering and 7% Manitoba Retail Sales Tax, will be \$43,379,300.00 which is within the budget funds provided.

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. 21204-05-7.

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 Water Treatment Program is as follows:

Authorized Capital		\$227,342,000.00
Amount of Previous Awards or Expenditures	\$ 148,875,807.00	
Amount of this Award	\$ 36,950,000.00	
Estimated Engineering Costs	\$ 3,842,800.00	
Estimated MRST	<u>\$ 2,586,500.00</u>	
Total Estimated Cost	\$ 192,255,107.00	<u>\$192,255,107.00</u>
Estimated Surplus		<u>\$ 35,086,893.00</u>

The bid recommended for acceptance is the low bid meeting all requirements of the specifications. This offer is open for acceptance until October 4, 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 2, 2006

Project Name:

First Year of Program 2006

THE WINNIPEG WATER TREATMENT PROGRAM – SUPPLY AND INSTALLATION OF WATER TREATMENT PLANT PROCESS MECHANICAL AND ELECTRICAL BID OPPORTUNITY NO. 742-2005

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Capital					
Capital Expenditures Required	\$ 5,658,170	\$ 22,632,682	\$ 15,088,448	\$ -	\$ -
Less: Existing Budgeted Costs	5,658,170	22,632,682	15,088,448	-	-
Additional Capital Budget Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Funding Sources:					
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>				
Current Expenditures/Revenues					
Direct Costs	\$ 5,996	\$ 17,987	\$ 17,987	\$ -	\$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	\$ 5,996	\$ 17,987	\$ 17,987	\$ -	\$ -
Less: Existing Budget Amounts	5,996	17,987	17,987	-	-
Net Budget Adjustment Required	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Additional Comments: Funds for this project are included in the approved Capital Budget and are financed by the Water Treatment Reserve Fund.					

je
03-Aug-06

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

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: Ron Sorokowski, P. Eng.
Processed by: Tamara Siemens/John Elias
Fax No. 986-3745
File No. W-580(C1)

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

**THE CITY OF WINNIPEG
WATER AND WASTE DEPARTMENT**

BID TABULATION

WINNIPEG WATER TREATMENT PROGRAM

SUPPLY AND INSTALLATION OF WATER TREATMENT PLANT PROCESS MECHANICAL AND ELECTRICAL

Bid Opportunity No 742-2005

File No. W-580(C1)

Bidder	Total Bid Price		Completion Date	Deposit
	<u>Alternative 1</u>	<u>Alternative 2</u>		
		<u>Part 1</u>	<u>Part 2</u>	
Comstock Canada Ltd.	\$36,950,000.00			December 31, 2008
ABCO Supply & Service Ltd.	\$46,174,500.00			December 31, 2008
Westwood Mechanical Inc.		\$29,999,777.00		December 31, 2008
Nor-Tec Electrical Ltd.			\$13,744,000.00*	December 31, 2008

*non-responsive

Approved Capital	\$227,342,000.00
Amount of Previous Awards	\$148,875,807.00
Pre-Bid Estimate	\$ 38,350,000.00
Recommended Amount	\$ 36,950,000.00