

This document can be made available in other accessible formats as soon as practicable and upon request

STAFF REPORT: Infrastructure and Public Works



REPORT TO: Council
MEETING DATE: August 19, 2016
REPORT NO.: CSPW.16.111
SUBJECT: Craigleith Wastewater Treatment Plant Filter Media Replacement and Valve Repair/Replacement Budget Increase and Award
PREPARED BY: John Caswell, Manager of Water & Wastewater Services on Behalf of the Tender/Proposal Award Committee

A. Recommendations

THAT Council receive Staff Report CSPW. 16.111, entitled “Craigleith Wastewater Treatment Plant Filter Media Replacement and Valve Repair/Replacement Budget Increase and Award”;

AND THAT Council approve increasing the project’s budget by \$17,500 from \$91,000 to \$108,500 excluding HST with this increase funded from the Wastewater Asset Replacement Reserve Fund;

AND THAT Council award Tender for Contract 2016-22-T-IPW Filter Media Replacement and Valve Repair/Replacement at Craigleith Wastewater Treatment Plant to W.A. Stephenson Mechanical Contractors Ltd. for \$108,500 excluding HST;

AND THAT the Mayor and Clerk be authorized to execute the contract between Town of The Blue Mountains and W.A. Stephenson Mechanical Contractors.

B. Background

The 2016 Approved Budget includes \$91,000 for the replacement of filter media and plug valves in two of the four filtration units at the Craigleith Wastewater Treatment Plant (Craigleith WWTP).

At the Tender Closing on July 14, 2016 there were two qualified bidders, Continental Carbon Group Inc. (Continental) who bid \$94,920 and W.A. Stephenson Mechanical Contractors Ltd. (W.A. Stephenson) who bid \$134,500.

Continental provided a Bid Bond which is not accepted by the Town. Clause 12 of the Instruction to Bidders document stated:

A Tender Security is required to accompany the Tender in the amount specified in the Tender Form in one of or a combination of the following: Certified cheque, bank

draft or money order made payable to the Town. A bid bond or letter of credit shall not be accepted as a Tender Security.

As such, Continental's bid was disqualified.

Since all qualified bids are over budget, the Town can either defer the project, increase the project budget or negotiate with the lowest compliant bidder to reduce the bid price. The plug valves and filter media play a critical role in the Craigleith WWTP's treatment process and as such Staff are not recommending the project be deferred. The filters are not able to operate at full capacity and another partial by-laws may occur during high flow events similar to that which occurred on March 28, 2016. Given that Staff felt there was an opportunity to request a reduction in the bid price, a negotiated approach was taken.

Schedule F section (i) of FS.08.08 – Procedures for Procurement policy enables Staff to negotiate bid submission prices “when all tenders or bids received fail to meet specifications or terms and conditions, and when it is impractical to recall tenders or formal quotations”. Accordingly, Staff contacted W.A. Stephenson and requested that they review their submission. W.A. Stephenson reduced their bid by \$26,000 from \$134,500 to \$108,500.

The plug valves and sand media in the two remaining filtration units will be replaced in 2017. Staff will consider the costing found in the tendering process and budget more appropriately for the expense.

Due to the essential nature of this equipment and the limited time to commence the works prior to winter, Staff recommend increasing the project's budget by \$17,500 from \$91,000 to \$108,500 excluding HST to meet the lowest responsive and responsible bidder. Staff recommend funding this expense from the Wastewater Asset Replacement Reserve Fund and awarding the contract to W.A. Stephenson at a total cost of \$108,500 excluding HST.

C. The Blue Mountains' Strategic Plan

Goal #5 - Ensure that our infrastructure is sustainable

D. Environmental Impacts

Replacing this equipment ensures that the Craigleith WWTP continues to produce a high quality effluent reflective of the Craigleith WWTP's tertiary level of treatment with minimal impact on the receiving body of water.

E. Financial Impact

These works will be funded from the Wastewater Asset Replacement Reserve Fund.

F. In Consultation With

Sam Dinsmore, Deputy Treasurer/Manager of Accounting & Budgets

G. Attached

None.

Respectfully submitted,

John Caswell

John Caswell, Manager of Water &
Wastewater Services

Reg Russwurm

Reg Russwurm, MBA, P.Eng
Director of Infrastructure and Public Works

Serena Wilgress

Serena Wilgress
Manager of Purchasing & Risk Management

Troy Speck

Troy Speck, B.A., LL.B.
Chief Administrative Officer

For more information, please contact:
John Caswell
jcaswell@thebluemountains.ca
519-599-3131 ext. 226