

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT

REPORT TO: Infrastructure and Recreation
Committee

MEETING DATE: November 13, 2012

REPORT NO.: EPW.12.087

SUBJECT: Year 2 of Water SCADA
Integration Contract Award
#2011-21-P-EPW

PREPARED BY: John Caswell, Manager of Water &
Wastewater Services/Asst. Director

A. Recommendations

THAT Council receive report entitled “Year 2 of Water SCADA Integration Contract Award #2011-21-P-EPW”; and,

THAT Council award the second year of the Water SCADA Integration (2011-21-P-EPW) Contract for the upset limit of \$40,000 to Summa Engineering Ltd with the option to renew the contract for the final year pending cost negotiations and performance of contract; and,

THAT Council approve the Department Head and the Manager of Purchasing to execute the Contract Documents with Summa Engineering Ltd for Year 2; and,

THAT Council approve the Department Head and the Manager of Purchasing to execute the Contract Documents for Year 3 with Summa Engineering Ltd. pending cost negotiations and performance of contract.

B. Background

A Request for Proposal (RFP) was issued in 2011 to secure the services of a SCADA Integrator for the Water Section for a one year contract, with the option to renew each year for up to three years. The first year of the existing SCADA Integration contract expired on September 1, 2012. The Water Section did not receive the level of service that was expected in the contract. As a result, the current SCADA Integrator contractor has been informed that their contract will not be renewed for another year. This matter is very time sensitive as currently there is no integrator.

As this contract is entering the second year, there are two options:

1. Award to the second highest scoring bidder from the RFP process in 2011
2. Re-bid a whole new contract

Staff prefer to award to the second highest scoring bidder, considering the following:

- Currently there is no SCADA Integrator, there have been three emergency calls since parting with the previous SCADA Integrator
- Unanticipated time and cost associated to rebid prior to the completion of the three year contract
- The likelihood of another bid process to change the bid outcome

The following is a review of what guidance the relevant Policies and Bid Documentation provide:

- The original RFP document is silent on what to do in the event that the contract is not renewed midterm.
- The Town's Purchasing of Goods and Services Policy POL.COR.07.05 and the Purchasing of Goods and Services Procedures FS.08.08, Schedule F Negotiated Procurement allows for negotiations with prior written approval: *1) When otherwise authorized by Council for reasons not set out herein.*

Therefore Staff have brought this forward to Council for their direction.

In the initial RFP, an Expense equipment line item was budgeted at \$5,000 as an upset limit. After a year's experience, it was determined that this limit should be increased by \$10,000 from \$5,000 to \$15,000. With this in mind, the scoring of all previous proposals in 2011 were revisited. By reviewing the scoring, including the additional budget allowance it was determined that Summa Engineering Ltd. continued to rank second in the RFP evaluation process. This company had performed SCADA Integration services for the Town prior to 2010. Therefore, Staff feels confident in awarding the second year of the contract to Summa Engineering Ltd., with the option to renew for the third year and final year of the SCADA Integration contract.

Staff anticipates issuing a new bid following the expiry of this current three year contract in 2015.

C. The Blue Mountains' Strategic Plan

These works address the Town's Strategic Plan Goal No. 2 "Addressing the Town's Municipal infrastructure needs".

D. Environmental Impacts

None

E. Financial Impact

Summa Engineering Ltd's price form calculated at a total upset cost of \$58,000 (including the increase to the expense line item). Currently the Town has budgeted an upset limit of \$15,000 in Operating and \$25,000 in Capital for a total of \$40,000 in SCADA related works for 2013. The reason for the difference in cost between Summa's upset cost of \$58,000 and the budget cost of \$40,000 is that Summa's upset cost of \$58,000 was based on an estimated quantity of maximum hours, solely for the purpose

of cost comparison between vendors. Since Staff control the amount of time and material expended by the SCADA Integrator as the situation calls for, it is not expected that expenditures for 2013 will exceed \$40,000.

F. In Consultation With

Rob Cummings, Director of Finance
Sherri Adams, Manager of Purchasing, CPPB
Darren Shilvock, Water Supervisor

G. Attached

None

Respectfully submitted,

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