



The Corporation of the Town of Tecumseh

Public Works & Engineering Services

To: Mayor and Members of Council

From: Phil Bartnik, Director Public Works & Engineering Services

Date to Council: February 14, 2023

Report Number: PWES-2023-09

Subject: Disaster Mitigation and Adaptation Fund
Phase 1: Scully-St. Mark's Pump Station
Preselection and Prepurchase of Backup Generator
Request for Quotations Results

Recommendations

It is recommended:

That Report PWES-2023-09 Disaster Mitigation and Adaptation Fund Phase 1: Scully-St. Mark's Pump Station Preselection and Prepurchase of Backup Generator Request for Quotations Results, **be received;**

And that the quotes submitted on January 12, 2023 for the supply of one diesel generator set for the Scully-St. Mark's Pump Station Project, **be rejected.**

Background

As Council is aware, the Town applied for and was successful in receiving federal government funding in 2020 totalling \$10.7M to support the Town's Climate Change and Flooding Resiliency Project under the Disaster Mitigation and Adaptation Fund (DMAF). The Town's portion of the total project costs was estimated at \$16.05M of the total \$26.75M. A Contribution Agreement between Her Majesty the Queen in Right of Canada, as represented by the Minister of Infrastructure and Communities (Canada) and The Corporation of the Town of Tecumseh (Town) was signed and executed in August 2021. This funding will be expended on the following:

1. Phase 1
 - a. Construction of a new consolidated Scully-St. Mark's Pump Station and a Riverside Drive Trunk Storm Sewer;
 - b. Decommissioning of the existing St. Mark's Storm Pump Station; and
2. Phase 2
 - a. Construction of a new Peter J. Cecile Pump Station.

Phase 1 of the Project is progressing, and the Town's Consultant, Dillon Consulting Ltd., together with SSL Project Services Incorporated, has completed the engineering design for the consolidated Scully-St. Mark's Pump Station.

It is the Town's practice to outfit all storm water pump stations with emergency backup generators to ensure each pump station is operational during power outages and/or hydro shortages. The construction of the consolidated Scully-St. Mark's Pump Station will include one diesel (backup) generator set in a standard weatherproof/sound attenuated factory enclosure.

Preselection & Prepurchase of Backup Generator

During detailed design, the Town's Consultants had contacted several suppliers to gauge the lead time required for the delivery of the backup generator for the consolidated Scully-St. Mark's Pump Station. Initially, suppliers were consistently advising in excess of a 15-month delivery time from date of order. Based on the information at that time, Administration decided it was necessary to issue a request for quotation for the prepurchase of the backup generator to coincide with the construction schedule for the consolidated Scully-St. Mark's Pump Station.

Comments

In accordance with Article 6 of the Contribution Agreement between Canada and the Town, the Town must "ensure that Contracts are awarded in a way that is fair, transparent, competitive and consistent with value-for-money principles...".

In accordance with the Town's Purchasing Policy (Policy No. 17) and Schedule A of By-law 2021-60, a project with a value of \$50,000 to \$500,000 requires a formal quotation process.

A Request for Quotations (RFQ) for Equipment Preselection and Prepurchase for Scully-St. Mark's Pump Station Backup Generator was developed and posted on the

Town's Bids and Tenders account on December 1, 2022 with a closing date of January 12, 2023. Among other details, the RFQ generally included the following requirements:

- the supply of one diesel generator set, meeting the Technical Specifications outlined in the RFQ, set in a standard weatherproof/sound attenuated factory enclosure;
- automatic transfer switch;
- accessories for installation and maintenance; and
- spare parts, control panel(s), instrumentations, and any special tools.

Two quotations were received on January 12, 2023 and were opened in the presence of Administration and the Director Financial Services & Chief Financial Officer. The results are summarized as follows:

Company	Quote
CF Industrial Products	\$575,839.00
Toromont Cat	\$603,577.75

SSL Projects Services Incorporated reviewed the submissions and provided the attached summary. Refer to Attachment 1.

Both RFQ packages were submitted on time and with the required documentation.

Based on a review by SSL Project Services Incorporated, both submissions were qualified in some way. The following observations were noted:

Bid Qualification	CF Industrial Products	Toromont Cat
Timing	The quote indicates they cannot meet the intended delivery date. The quote does not guarantee delivery date.	The quote is based on delivering earlier than needed. The quote excludes any storage costs.

Bid Qualification	CF Industrial Products	Toromont Cat
Met the Technical Specifications	Yes	No. The quote has several significant departures from the technical specifications required.
Conflicting Terms and Conditions	The quote included separate terms and conditions, which do not necessarily mimic the RFT's stated terms and conditions.	The quote included separate terms and conditions, which do not necessarily mimic the RFT's stated terms and conditions.

Given the departures from the RFQ document, it is recommended that no bid be accepted at this time.

The coordination for the delivery and installation of the backup generator is key to the pump station construction. In recent discussions with the Town's Consultants, suppliers have since indicated that the lead time for the delivery of the backup generator will be in line with the construction schedule. As a result, the need to prepurchase the backup generator at this time is not critical as originally anticipated.

In consultation with the SSL Project Services Incorporated and Financial Services, it is suggested that the preselection and prepurchase of the backup generator be included in the Project Construction Tender to construct the consolidated Scully-St. Mark's Stormwater Pump Station. This is a more effective and advantageous approach. Project management will be more manageable by coordinating the construction project and the supply of the backup generator under one tender rather than two.

Given the increase in equipment and material costs over the past couple of years due to the current economic condition (i.e., high rate of inflation) and the challenges experienced with supply chain, it is the opinion of Administration that the general contractor for the Project Construction Tender will have greater opportunity to reach a larger number of generator suppliers for the purchase of the backup generator.

Consultations

Financial Services
Dillon Consulting Ltd.
SSL Project Services

Financial Implications

There are no cost implications associated with this report.

The project cost estimates for DMAF Phase 1, the Scully St. Mark's Pump Station and Riverside Drive Storm Trunk Sewer Projects were updated in the January 26, 2023 Special Council Meeting Report [PWES-2023-01](#) to be more in line with recent market conditions and inflation.

The Scully-St. Marks Pump Stations and Riverside Drive Storm Trunk Sewer estimate is \$23,335,000, broken down as \$20,600,000 for storm sewers and pumping stations, \$635,000 for sanitary sewers and \$2,100,000 for road reconstruction. The DMAF grant funding pertaining to this phase is estimated at \$6.82M (of the total \$10.7M DMAF grant funding).

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh's current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh's plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town's "continuous improvement" approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town's leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Cheryl Curran, BES
Project Technician

Reviewed by:

John Henderson, P.Eng.
Manager Engineering Services

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Phil Bartnik, P.Eng.
Director Public Works & Engineering Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	RFQ Review conducted by SSL Project Services Incorporated

MEMO

To:	Phil Bartnik, P.Eng., Director, Public Works & Engineering Services, The Corporation of the Town of Tecumseh
Cc:	Tom Kitsos, Kirby McArdle, John Henderson
From:	Susan St. Louis, P.Eng., SSL Project Services Inc.
Date:	January 18, 2023
Subject:	Scully/St. Mark's Pump Station Backup Generator Equipment Preselection RFQ 74 Summary of Tender Results

Background

Two (2) tenders were received for this preselection on January 12, 2023. The tender results are summarized as follows:

Tenderer	Total Tender Price Excluding Taxes
Toromont Cat	\$605,553.75 (Unofficial result)
CF Industrial Products	\$576,639.00 (Unofficial result)

All tenders were received via the online tender portal within the allotted time.
All tenders acknowledged the three (3) addenda.
All tenders submitted proof of the required bid bonds in a suitable format.

Analysis

Based on our review of the tender submissions, both submissions were qualified in some way.

Cont'd.....

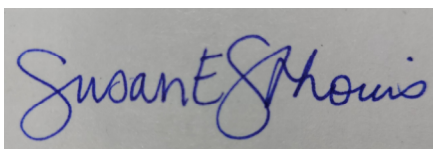
Specifically, the following observations are made:

Bid Qualification	Toromont Cat	CF Industrial Products
Timing	The quote is based on delivering earlier than needed. The quote excludes any storage costs.	The quote indicates they cannot meet the intended delivery date. The quote does not guarantee delivery date.
Met the Technical Specifications	No, the quote has several significant departures from the technical specifications required.	Yes, the quote meets the technical specifications required.
Conflicting Terms and Conditions	The quote included separate terms and conditions, which do not necessarily mimic the RFT's stated terms and conditions	The quote included separate terms and conditions, which do not necessarily mimic the RFT's stated terms and conditions

Recommendation

Given the above departures from the request for tender document, we recommend that no bid be accepted at this time.

Yours sincerely,
SSL Project Services Incorporated



Susan E. St. Louis, P.Eng.
Director