

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2017-033

Date: May 16, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: Ward 10

Subject: Tender 2017-51-CT - Verulam Water Tower External Coating Replacement
and
Request for Quotation 2017-54-CQ Inspection Services and Contract Administration for Verulam Water Tower External Coating Replacement

Author/Title: Debbie Ball, Buyer

Signature:

Co-Author: Corby Purdy,

Supervisor/Infrastructure, Design, Construction

Signature:

Recommendation(s):

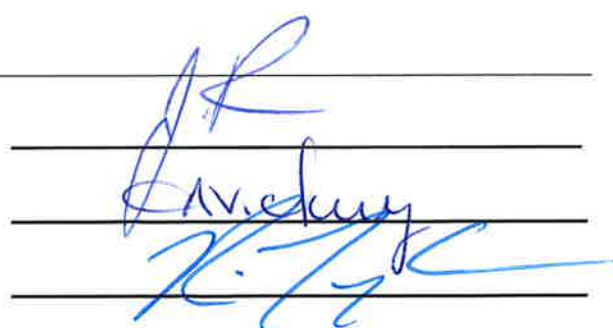
RESOLVED THAT Report PUR2017-033, Tender 2017-51-CT, Verulam Water Tower External Coating Replacement and Request for Quotation 2017-54-CQ Inspection Services and Contract Administration for Verulam Water Tower External Coating Replacement be received;

THAT Jacques Daoust Coatings Management Inc. of Cambridge, be selected for the award of Tender 2017-51-CT - Verulam Water Tower External Coating Replacement for the tender price of \$895,200.00, plus HST;

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:



THAT Misco Mulders Inspection Services Co. Ltd. of Picton, be selected for the award of Request for Quotation 2017-54-CQ – Inspection Services and Contract Administration for Verulam Water Tower External Coating Replacement for the quoted price of \$67,500.00, plus HST;

THAT additional total financing of \$290,354.00 be approved for Project (998161201) Verulam Water Tower External Coating, funding from the Water Infrastructure Reserve;

THAT Capital Projects (98162101) St. David Interconnection, (998162201) Ridout SPS Upgrade, and (998160600) Mill Street Watermain be closed and funds transferred back to the original funding source, total funding being returned to Development Charges for Sewers \$69,958.00, Development Charges for Water \$47,528.00, Water Infrastructure Reserve \$3,577.00 and Sewer Infrastructure Reserve \$59,966.00;

THAT subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the agreements with both Jacques Daoust Coatings Management Inc. and Misco Mulders Inspection Services Co. Ltd to award this tender and quotation; and

THAT Purchasing Division be authorized to issue Purchase Orders.

Background for Tender 2017-51-CT:

Verulam Tower is located on CKL Road 36 (Verulam Road) between Colborne Street East and Queen Street in the Town of Lindsay. It is a 500,000 gallon elevated tower that serves as a reservoir to assist with peak water demands, maintains water pressure in the distribution system, and provides emergency storage for fire flows.

A visual inspection of the exterior of the tower shows signs of weathering and breakdown. Staff hired a third party consultant to test the existing paint and make restoration recommendations. Results confirmed that the existing coating contains high levels of lead. Removal and disposal of existing coating will be as per Ministry of the Environment and Climate Change guidelines.

The scope of the project is to erect scaffolding and provide full enclosure to contain contaminated materials for disposal. The contractor will fully remove the existing coating by sand blasting and replace with a new coating system. All lettering on the tank will be repainted similar to existing.

This project is necessary to extend the life expectancy and protect the investment of this asset. Application of the coating system protects the steel from corrosion, which if left uncoated; the corrosion of the steel would accelerate.

Tender 2017-51-CT was prepared and advertised in accordance with the Purchasing Policy. The tender package was taken out by twenty-four (24) companies.

Tender 2017-51-CT closed on Thursday, April 20, 2017 and was opened in public by Mayor Andy Letham and Karen Buckley, Buyer.

Background for Request for Quotation 2017-54-CQ:

The City issued RFQ 2017-54-CQ requesting qualified NACE Certified Level 3 Inspectors to perform inspection services and contract administration during the preparation and application of the coating systems being applied on the Verulam Water Tower in the Town of Lindsay.

Request for Quotation 2017-54-CQ was prepared and advertised in accordance with the City's Purchasing Policy. The RFQ package was taken out by five (5) companies.

RFQ 2017-54-CQ closed on Thursday, April 27, 2017 and was opened in public by Councillor Stephen Strangway and Debbie Ball, Buyer.

Results of Opening for Tender 2017-51-CT:

Tender Received From	Total Tender Amount (Excluding HST)	Total Tender Amount (Excluding HST) Corrected After Evaluation
Jacques Daoust Coatings Management Inc. Cambridge	\$895,200.00	n/a
Dayson Industrial Services Inc. Hamilton	\$949,000.00	n/a
Landmark Municipal Services ULC Burlington	\$1,523,000.00	n/a
MacDonald Applicators Ltd. Saint John, NB	\$1,642,791.00	\$1,654,315.00

Tenders were checked for mathematical errors and conformity to the tender requirements. The lowest, compliant tender received from Jacques Daoust Coatings Management Inc. of Cambridge is compliant.

Results of Opening for RFQ 2017-54-CQ:

Quotation Received From	Quoted Amount (Not Including HST) As Read at Public Opening
Misco Mulders Inspection Services Co. Ltd. Picton	\$67,500.00

In accordance with the City's Purchasing Policy, an irregular result of a competitive procurement process occurred as fewer than three (3) submissions were received.

The Quotation was checked for conformity to the requirements and was found to be compliant.

Reference checks were conducted and no concerns were identified.

Rationale for Tender 2017-51-CT:

Staff recommends the award to the lowest, compliant tender received from Jacques Daoust Coatings Management Inc. of Cambridge Tender 2017-51-CT– Verulam Water Tower External Coating Replacement at the tender price of \$895,200.00 plus HST.

Rationale for RFQ 2017-54-CQ:

Staff recommends the award to Misco Mulders Inspection Services Co. Ltd. of Picton, RFQ 2017-54-CQ - Inspection and Contract Administration for Verulam Water Tower External Coating Replacement for the quoted price of \$67,500.00 plus HST.

Other Alternatives Considered:

No other alternative is being considered for either based on the fact that a competitive procurement process was followed for each procurement process and the lowest, compliant tender and quotation are being recommended.

Financial Considerations:

Funds for the external coating of the Verulam Water Tower was approved in the 2016 Waste Water Capital Budget under 998161201 (WW1612) as noted in the table below and are 100% Debentured Funded.

Capital Project	Capital Project Budget	Other Committed Funds * (see below)	Capital Project Balance	Tender Amount (incl HST)	HST Rebate	10% Contingency	Total Tender Cost	Capital Project Balance
Verulam Water Tower Coating Replacement 998161201 WW1612	\$795,000	\$9,440	\$785,560					\$785,560
Tender 2017-51-CT				\$1,011,576	(\$100,620)	\$89,520	\$1,000,476	(\$1,000,476)
RFQ 2017-54-CQ				\$76,275	(\$7,587)	\$6,750	\$75,438	(\$75,438)
Total	\$795,000	\$9,440	\$785,560	\$1,087,851	(\$108,207)	\$96,270	\$1,075,914	(\$290,354)

* Other Committed Funds include the following:

\$3,440 - pre-design work for lead sampling

\$6,000 - staff time for project management and disbursements

\$9,440

Water and wastewater capital projects do not close with a surplus, only the amount required is funded based on costs incurred. Therefore these projects will close with a zero balance in the capital close report.

Upon completion of the work, any remaining surplus or deficit will be dealt with through the Capital close report presented to Council by the Treasury Department in accordance with the Capital Close Policy.

Financial Reconciliation of Water Wastewater Projects

Staff recommends closing the following projects and transferring funds to the respective reserves in order to help offset the cost for 998161201 – Verulam Water Tower External Coating.

Capital Project	Capital Project Budget	Funding Source	Other Committed Funds / Spent	Capital Project Balance	Rationale
998161201 St. David St Interconnection	\$30,000	\$15,000 (DC) \$15,000 (Res-sew)	\$0	\$30,000	Detailed hydraulic analysis will be conducted during project 998161701 Lindsay WPCP Upgrades
998162201 Ridout SPS Upgrade	\$100,000	\$55,328 (DC) \$44,672 (Res-sew)	(\$76)	\$99,924	Ridout St. pump refurbishment is currently underway. Project 998170504 Ridout Street SPS Upgrades will identify flows post-refurbishment and identify any upgrades.
998160600 Mill St Watermain	\$51,300	\$47,818 (DC) \$ 3,482 (Res-wat)	(\$195)	\$51,105	A second river crossing was constructed in 2016 to help supply flows to south Bobcaygeon. Operations staff have confirmed that flows on Mill Street are sufficient
TOTAL	\$181,105		(\$271)	\$181,029	

Water project (998161201) Verulam Water Tower External Coating currently has a budget deficit in the amount of \$290,354.00. Reserve funds can only be used if Council has given approval. Staff recommends an upset limit of \$290,354.00 from the Water Infrastructure Reserves to fund this deficit.

The balance in the Water Infrastructure Reserve of \$955,170.00 after the transfer for the funding of this project. Therefore there are sufficient funds to cover this request.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

Tender 2017-51-CT – Verulam Water Tower External Coating Replacement aligns with the Corporate Strategic Goals "A Vibrant and Growing Economy", "An Exceptional Quality of Life", and "A Healthy Environment" by:

- Enabling efficient infrastructure and asset management; and
- Ensuring the protection and enhancement of water quality.

Review of Accessibility Implications of Any Development or Policy:

Not applicable.

Servicing Comments:

Not applicable.

Consultations:

Amber Hayter, Supervisor Water and Wastewater Operations
Laurie Lawder, Financial Coordinator, Public Works and Community Services

Attachments:

Not applicable.

Phone: 705-324-9411 Ext 1151

E-Mail: jrojas@city.kawarthalakes.on.ca

Department Head: Juan Rojas, Director of Engineering & Corporate Assets

Department Files: Tender: 2017-51-CT and RFQ 2017-54-CQ