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CONTRACT AWARD FOR PRE-PURCHASE OF STAND-BY GENERATORS AND MEDIUM VOLTAGE SWITCHGEAR FOR THE DUFFIN CREEK WATER POLLUTION CONTROL PLANT STAGES 1 AND 2, PROJECT 72530

The Environmental Services Committee recommends the adoption of the recommendation contained in the following report dated June 11, 2012, from the Commissioner of Environmental Services.

1. RECOMMENDATION

It is recommended that:

1. Wajax Power Systems be awarded a contract for pre-purchase of engineering, supply and supervision of installation of stand-by generators and medium voltage switchgear for the new electrical substation required as part of the Duffin Creek Water Pollution Control Plant Stages 1 and 2 Upgrades Project at a cost of \$15,785,000 excluding taxes.

2. PURPOSE

This report seeks Council authorization to award a contract to Wajax Power Systems to provide engineering, supply and supervision of installation of stand-by generators and medium voltage switchgear for the new electrical substation required as part of the Duffin Creek Water Pollution Control Plant (WPCP) Stages 1 and 2 Upgrades Project.

The Region's Purchasing Bylaw requires Council authorization to award a Request for Proposal over \$500,000 or when the recommended proponent does not have the lowest cost. In this case, the recommended proponent did not submit the lowest cost and their bid is greater than \$500,000.

3. BACKGROUND

Existing Stages 1 and 2 at the Duffin Creek WPCP require upgrades

The Stage 1 portion of the Duffin Creek WPCP has been in continual operation since 1977, with Stage 2 on line since the mid 1980's. To accommodate forecasted growth within York and Durham Regions to 2031, implementation of a new Stage 3 process was initiated in 2004 and is in final stages of construction and commissioning. As a Condition

of Approval of the Stage 3 expansion projects, the Ministry of the Environment required Stages 1 and 2 be upgraded by December 2017.

New electrical substation proposed to supply power to Stages 1 and 2

The existing electrical substation that provides electrical power throughout the existing Stages 1 and 2 treatment processes was installed and commissioned in the mid 1970's. As part of the Stages 1 and 2 upgrades project, a new electrical substation is required.

A new electrical substation is currently under design and is anticipated to be tendered within the next three months. The new equipment contained in award of this contract is to be installed under the upcoming contract. High voltage transformers drop the incoming voltage from 44,000 volts to 4,160 volts (high voltage to medium voltage). The stand-by generators also develop 4,160 volts and the subsequent medium voltage switchgear distributes this to the plant.

4. ANALYSIS AND OPTIONS

Four firms submitted proposals for the pre-purchase of engineering, supply and supervision of installation of stand-by generators and medium voltage switchgear

In response to Request for Proposal P-11-95, the following four firms submitted a response:

- Wajax Power Systems
- Pritchard Engineering Company Limited
- Toromont CAT, a Division of Toromont Industries Ltd.
- Black and McDonald Limited

The Request for Proposal detailed the scope of work required, which included:

- Engineering services
- Supply, fabrication, delivery, supervision of installation and commissioning
- Warranty of four 2.3 mega-watt stand-by generators
- Warranty of all associated medium voltage switchgear

This equipment, in conjunction with the previously awarded contract T-11-68 for pre-purchase of high-voltage transformers is to be installed in the new electrical substation to accommodate all the electrical power systems for the new and existing treatment processes as part of the Stages 1 and 2 upgrades.

Proposals evaluated using the two-envelope system

Proposals were evaluated using the two-envelope system with technical and financial information submitted in two separate envelopes. The overall proposal score was evaluated based on a weighting of 80 per cent for the technical proposal and 20 per cent for the financial proposal. Technical proposals were evaluated prior to any knowledge of financial information.

The proposal evaluation team, comprising of staff from York Region, Durham Region and the engineering consultant, reviewed the four technical proposals based on the criteria as listed in Request for Proposal P-11-95.

Technical components of the proposal must achieve a minimum technical score of 60 per cent (48 points out of the potential 80 points) to have the financial portion of the proposal considered. If a proponent does not achieve this minimum technical score, their financial proposal is returned unopened. This was the case with the proposal from Black and McDonald Limited. Technical and financial results are summarized in Table 1.

Table 1
Proposal Evaluation Summary

Equipment Manufacturing Firm	Technical Score (out of 80)	Total Fee (\$) (excluding taxes)	Financial Score (out of 20)	Total Score (out of 100)
Wajax Power Systems	64	\$15,785,000	19	83
Pritchard Engineering Company Limited	56	\$16,866,100	17	73
Toromont CAT, A Division of Toromont Industries Ltd.	50	\$14,656,037	20	70
Black and McDonald Limited	39	-	-	-

Evaluation of proposals revealed Wajax Power Systems achieved the highest overall score

The highest total score is Wajax Power Systems. Supplies and Services Branch has reviewed the evaluation summary and has issued their internal report confirming that Wajax Power Systems be recommended as the successful overall proponent to undertake the pre-purchase of engineering, supply, and supervision of installation, of stand-by generators and medium voltage switchgear.

Link to Key Council-approved Plans

The Duffin Creek Water Pollution Control Plant is a critical component of the Region's wastewater infrastructure for now and into the future. This contract is a key project that aligns with the Region's 2011 to 2015 Strategic Planning objective of continuing to deliver and sustain critical infrastructure.

5. FINANCIAL IMPLICATIONS

The bid price for the proposed work is \$15,785,000 excluding taxes.

The approved 2012 10 Year Capital Program identifies a Total Project Budget Authority for this project of \$241 million and is funded through a combination of development charges and wastewater user rates.

Costs shared with Durham Region

The above costs for the pre-purchase of engineering, supply and supervision of installation of stand-by generators and medium voltage switchgear will be shared with the co-owner, Durham Region. The exact cost sharing split is currently being negotiated, but is likely to be approximately 80% York Region and 20% Durham Region.

6. LOCAL MUNICIPAL IMPACT

The Stages 1 and 2 upgrades project will provide long-term reliable and secure sewage treatment capacity at the Duffin Creek Water Pollution Control Plant for York and Durham residents connected to the YDSS. Continual treatment assured by stand-by power generation capabilities will ensure a high level of treatment is maintained, even during electrical power failures, resulting in excellent effluent quality being discharged to Lake Ontario.

7. CONCLUSION

Four proposals were received and evaluated for the pre-purchase of engineering, supply and supervision of installation of stand-by generators and medium voltage switchgear in accordance with the Region's Purchasing Bylaw. The proposal from Wajax Power Systems represents the best overall value to the Region and it is recommended that Wajax Power Systems be awarded the contract at a cost of \$15,785,000 excluding taxes.

For more information on this report, please contact Daniel Kostopoulos, Director, Capital Planning and Delivery, Environmental Services at extension 5070.

The Senior Management Group has reviewed this report.