

Report to Civic Works Committee

To: Chair and Members
Civic Works Committee

From: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

Subject: SS-2023-233 Single Source Purchase of Cured In Place Pipe (CIPP) Lining Trailer

Date: September 12, 2023

Recommendation

That, on the recommendation of the Deputy City Manager, Finance Supports, the following actions **BE TAKEN** with respect to the purchase of one 2024 Bravo Aluminum Star Cargo Trailer:

- a) Approval **BE GIVEN** to execute a Single Source purchase as per section 14.4 (d) and (e) of the City of London's Procurement of Goods and Services Policy;
- b) Single Source negotiated price **BE ACCEPTED** to purchase one 2024 Bravo Aluminum Star Cargo Trailer for a total estimated price of \$108,099.83 (excluding HST) from Bluewater Trailer Sales Ltd., 940 Wright Street, Strathroy ON N7G 3H8
- c) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this purchase;
- d) Approval hereby given **BE CONDITIONAL** upon the Corporation entering into a formal contract or having a purchase order, or contract record relating to the subject matter of this approval in accordance with Sections 14.4(d)(e) and 14.5(a)(ii) of the Procurement of Goods and Services Policy; and
- e) That the funding for this purchase **BE APPROVED** as set out in the Source of Financing Report attached, hereto, as Appendix A.

Executive Summary

The City of London's Sewer Operations Division offers residents a Private Drain Connection (PDC) renewal service to replace or repair a PDC that has failed. Blocked, broken, and cracked PDC's can often be repaired using a cured in place pipe lining (CIPP) procedure that installs an internal lining material, sealing the damaged section of the PDC. The specialized equipment and materials required to perform the CIPP lining service are stored and transported in a 28-foot fit for purpose, tandem axle cargo trailer. The CIPP trailer enables Sewer Operations to provide a completely mobile and onsite service to homeowners throughout the city.

The current in-service trailer was scheduled for lifecycle renewal and replacement in 2026, however during its last preventive maintenance inspection in late 2022, the trailer's main structural frame is showing significant corrosion and deterioration. The steel structural members are beyond economical repair and a new trailer is required to support the 2024 lining season.

This report recommends approving the purchase of one 2024 Bravo Aluminum Star Cargo Trailer from Bluewater Trailer Sales Ltd. using the single source provisions found in section 14.4 (d) & (e) of the Procurement of Goods and Services Policy.

Linkage to the Corporate Strategic Plan

Building a Sustainable City

London's infrastructure is built, maintained, and operated to meet long-term needs of our community

- Manage assets to prevent future infrastructure gaps

Leading in Public Service

Londoners experience exceptional and valued customer service

- Increase responsiveness to our customers
- Increase efficiency and effectiveness of service delivery

Analysis

1.0 Background Information

The City of London, Sewer Operations Division, offers homeowners a Private Drain Connection (PDC) renewal service for a flat-rate fee of \$5,000. After inspecting the PDC with a sewer camera, and cleaning the PDC if necessary, the City will determine the method of pipe repair or replacement. Broken, cracked, and leaking PDC's can often be repaired using a cured-in-place pipe lining (CIPP) procedure that seals the damaged PDC pipe with an internal structural liner to restore the function and integrity of the PDC. This method of pipe repair is typically less intrusive compared to open-cut excavation.

The specialized equipment and materials required to perform the CIPP lining operation and service are stored and transported in a 28 foot long, customized, tandem axle cargo trailer which allows Sewer Operations to provide a completely mobile, onsite service at residential locations throughout the city.

The current trailer containing specialized CIPP lining equipment, was purchased in 2010 from LMK Technologies located in Illinois, USA. The life expectancy of the trailer was estimated to be 16 years, however the main structural components of the steel framed trailer have deteriorated so significantly that repairs are no longer feasible. Unlike the trailer, some of the CIPP Lining materials and equipment are in good condition and will be transferred to the new trailer.

The new customized trailer must provide a compatible, functional, and strategically laid out workspace that can carry out CIPP lining operations and store the required onboard equipment and materials. The custom features required in this CIPP trailer include an on board, multi-point 120V electrical system with power supplied from a on board 10K watt diesel generator with a 30-gallon fuel tank with outside fill inlet. The trailer and its electrical system installation must comply with and meet all requirements of the Ontario Electrical Safety Code and CSA standards and must be ESA (Electrical Safety Authority) approved and certified. A roof top 15K btu air conditioning and ventilation system is required, with a full-size chest freezer, vacuum pump and piping system, mixing equipment, heavy duty walls and floors coated with protective and anti-slip coating, custom sized cabinets, tools and materials storage, shelving and wall mounted fold down tables required for the lining material preparation process and equipment operation.

1.1 Previous Reports Related to this Matter

There are no relevant reports available.

2.0 Discussion and Considerations

Fleet Services contacted the current lining trailer original equipment manufacturer LMK Technologies and other regional trailer dealers to understand the markets interest and capability to supply and deliver a replacement cargo trailer. LMK Technologies can provide a standard built steel frame trailer with CIPP customizations, however they are unable to supply the requested aluminum frame. The estimate from LMK for a standard

steel framed unit manufactured in the USA not including the transfer of existing lining equipment, would exceed \$130K CAD. Bluewater Trailers Ltd. was the only regional trailer dealer interested in completing in the project. Most dealers did not have the skillset or interest in providing a customized fit for purpose CIPP trailer.

Specifications for the CIPP trailer and all customized build requirements were presented to Bluewater Trailer and a quote was requested. Fleet Services and Sewer Operations staff reviewed the quote including all build specifications and drawings. The proposal meets all required build specifications and provides a compatible workspace for CIPP lining equipment and operations, including the required fit-for purpose customizations and compliance to CSA & ESA standards. Bluewater Trailer Sales Ltd. is a Strathroy based leader in trailer design and construction, who can provide timely aftermarket support for service, parts, and warranty.

2.1 Procurement Process

A formal quote was received from Bluewater Trailer Sales Ltd. for the purchase of one 2024 Bravo Aluminum Star Cargo Trailer with a total estimated price of \$108,099.83 (excluding HST). The lining trailer quote includes an integrated solution that considers the requirement to reuse and transfer existing lining equipment from the current trailer. Bluewater Trailer Sales Ltd. was the only supplier with the interest and expertise to transfer previously acquired equipment onto a new aluminum trailer. Bluewater Trailer has been recommended as a single source supplier for the reasons noted in sections 14.4 (d) & (e) of the Procurement of Goods and Services Policy:

- 14.4 d. There is a need for compatibility with goods and/or services previously acquired or the required goods and/or services will be additional to similar goods and/or services being supplied under an existing contract (i.e. contract extension or renewal);
- 14.4 e. The required goods and/or services are to be supplied by a particular supplier(s) having special knowledge, skills, expertise or experience;

As per Section 14.5 a) ii) of the Procurement of Goods and Services Policy, Committee and City Council must approve a single source award greater than \$50,000, unless otherwise permitted by the Policy.

3.0 Financial Impact

The total funding required to purchase a CIPP Trailer from Bluewater Trailer Sales Ltd. is available in the approved capital budgets of Fleet Services and Sewer Operations. The ongoing operating costs for fuel, maintenance, inspections, service, and future capital replacement of the lining trailer will be supported by Fleet Services internal rental rate process.

Funding details for this purchase are outlined in the Source of Financing attached as Appendix A

Conclusion

In accordance with section 14.4 (d) & (e) and 14.5 a) ii) of the Procurement of Goods and Services Policy, Fleet Services in conjunction with Sewer Operations is requesting approval of a single source purchase of one (1) 2024 Bravo Aluminum Star Cargo CIPP Lining Trailer from Bluewater Trailer Sales Ltd.

Prepared by: Drew Freeman, P.Eng.
Senior Manager, Fleet Services

Submitted by: Lynda Stewart
Director, Fleet and Facilities

Recommended by: Anna Lisa Barbon, CPA, CGA
Deputy City Manager, Finance Supports

cc: Brad Weber, Division Manager, Sewer Operations
Steve Mollon, Senior Manager, Procurement & Supply

Attached: Appendix A – Source of Finance

Appendix "A"

#23188

September 12, 2023
(Award Contract)

Chair and Members
Civic Works Committee

RE: SS-2023-233 Single Source Purchase of Cured in Place Pipe (CIPP) Lining Trailer
(Work Order 2581023)

Capital Project ME202301 - Vehicles and Equipment Replacement TCA

Capital Project ES252322 - Sewer Construction and Repairs

Bluewater Trailer Sales Ltd. - \$108,099.83 (excluding HST)

Finance Supports Report on the Sources of Financing:

Finance Supports confirms that the cost of this project can be accommodated within the financing available for it in the Capital Budget and that, subject to the approval of the recommendation of the Deputy City Manager, Environment and Infrastructure, the detailed source of financing is:

Estimated Expenditures	Approved Budget	Committed To Date	This Submission	Balance for Future Work
ME202301 - Vehicles and Equipment Replacement TCA				
Vehicles and Equipment	5,777,598	2,692,910	30,529	3,054,159
ES252322 - Sewer Construction and Repairs				
Engineering	9,574	9,574	0	0
Construction	2,147,061	1,614,523	0	532,538
City Related Expenses	2,283	2,283	0	0
Vehicles and Equipment	147,949	68,475	79,474	0
ES252322 Total	2,306,867	1,694,855	79,474	532,538
Total Expenditures	\$8,084,465	\$4,387,765	\$110,003	\$3,586,697

Sources of Financing

ME202301 - Vehicles and Equipment Replacement TCA				
Capital Levy	342,190	342,190	0	0
Drawdown from Fleet Renewal Reserve Fund	4,749,511	1,664,823	30,529	3,054,159
Drawdown from Operating Economy, Efficiency and Effectiveness Reserve	685,897	685,897	0	0
ME202301 Total	5,777,598	2,692,910	30,529	3,054,159
ES252322 - Sewer Construction and Repairs				
Capital Sewer Rates	2,306,867	1,694,855	79,474	532,538
Total Financing	\$8,084,465	\$4,387,765	\$110,003	\$3,586,697

Financial Note:

	ME202301	ES252322	Total
Contract Price	\$30,001	\$78,099	\$108,100
Add: HST @13%	3,900	10,153	14,053
Total Contract Price Including Taxes	33,901	88,252	122,153
Less: HST Rebate	-3,372	-8,778	-12,150
Net Contract Price	\$30,529	\$79,474	\$110,003

Jason Davies
Manager of Financial Planning & Policy

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