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TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JANUARY 23, 2012
FROM:	RON STANDISH, P. ENG. DIRECTOR – WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES
SUBJECT:	ROTATING DRUM THICKENER (RDT) PURCHASE FROM OCEAN CHEMICALS

RECOMMENDATION

That, on the recommendation of the Director-Wastewater and Treatment, Planning, Environmental and Engineering Services, the following actions **BE TAKEN** with respect to the purchase of a Rotating Drum Thickener (RDT) for the Greenway Wastewater Treatment Plant (Project ES 5164)

- (a) Administration **BE AUTHORIZED** to enter into negotiations with Ocean Chemical Corporation, 268, Richmond Road, Oakville ON, L6H 3B5, for the single source purchase of one (1) Rotating Drum Thickener for the Greenway Wastewater Treatment Plant for \$150,000 excluding HST; it being noted that councils approval for this purchase was previously given in June 2011. Ownership of the RDT has since transferred to Ocean Chemical Corporation from Baycor Fibre Technologies Inc.
- (b) The financing for the purchase **BE APPROVED** as set out in the "Sources of Financing, attached as Appendix "A" included with the original BNEC report.
- (c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts necessary in connection with this purchase.
- (d) The approval in a), above, **BE CONDITIONAL** upon the corporation negotiating satisfactory prices, terms and conditions with Ocean Chemical Corporation to the satisfaction of the City Treasurer, Chief Financial Officer, and the Executive Director, Planning, Environmental and Engineering Services
- (e) The approval in a), above, also **BE CONDITIONAL** upon the Corporation entering into a formal contract or issuing a purchase order related to this matter.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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BNEC Report of April 11, 2011, Agenda Item #16, Single Source Purchase of Rotary Drum Thickeners at the Greenway Pollution Control Centre.

BACKGROUND

Purpose:

The City entered into a Pilot to Purchase Agreement with Baycor Fibre Technologies in June 2011. Under this agreement the City would rent one rotating drum thickener (RDT) for the purposes of pilot testing the technology. Terms included the provision for the City to purchase two used RDT units at a substantial discount to new units, conditional on satisfactory results from the pilot test. The testing was successful and the original unit was purchased as per the agreement. Baycor was to refurbish the second unit upon notification by the City to proceed with the purchase. Baycor went into receivership before the second unit could be delivered and the unit was subsequently purchased at auction by Ocean Chemical Corporation. Ocean Chemical has agreed to sell the second, fully refurbished unit to the City for the price originally negotiated

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with Baycor. Council approval is required to issue a purchase order to Ocean Chemical for the second unit.

Discussion:

The pilot testing of the first Baycor unit confirmed the one to two year payback is possible by switching to this technology. The final price negotiated with Baycor was roughly 50% of the price of a new unit. The total price for the two units was \$300,000 or \$150,000 each. The former owners of Baycor have made themselves available to answer questions related to the RDT's and have arranged for a local Brantford company to carry spare parts. This is a single source purchase under 14.4 (f.) of the Procurement of Goods and Services Policy.

Conclusions:

Purchasing the second RDT from Ocean Chemical Corporation under the same terms approved with Baycor Fibre Technologies is recommended. This will ensure the City has matching RDT's and will not have to negotiate with another supplier for a new, undiscounted unit.

Acknowledgements:

This report was prepared by Geordie Gauld, Division Manager, Wastewater and Treatment Operations with help from Linda Rowe, Deputy City Clerk.

SUBMITTED BY:	RECOMMENDED BY:
GEORDIE GAULD DIVISION MANAGER, WASTEWATER AND TREATMENT OPERATIONS	RON STANDISH, P. ENG. DIRECTOR, WASTEWATER AND TREATMENT PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES
REVIEWED & CONCURRED BY:	
PAT MCNALLY, P.ENG. EXECUTIVE DIRECTOR OF PLANNING, ENVIRONMENTAL AND ENGINEERING SERVICES	

Attach: Appendix "A", Source of Financing
c.c. P. McNally, J. Braam, Linda Rowe