

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON MARCH 19, 2018</b>
<b>FROM:</b>	<b>KELLY SCHERR, P. Eng., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL AND ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>GREENWAY ODOUR CONTROL AND HVAC EQUIPMENT INSTALLATION IRREGULAR BID RESULT ES5019</b>

<b>RECOMMENDATION</b>
-----------------------

That, on the recommendation of the Managing Director, Environmental and Engineering Services & City Engineer, this following actions **BE TAKEN** with respect to the Greenway Wastewater Treatment Plant (WWTP) Grit Building Odour Control Upgrades:

- (a) The bid submitted by J.M.R. Electrical Ltd. in the amount of \$491,100.00 (excluding HST) **BE APPROVED** in accordance with Section 19.4 (c) of the City of London's Procurement of Goods and Services Policy;
- (b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached hereto as Appendix 'A';
- (c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project; and
- (d) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
--

CWC report of 2017-06-07, item 10, Clean Water and Wastewater Fund, Single Source Purchase of Odour Control, Air Handling and Heat Recovery Units for Wastewater Facilities

CWC report of 2016-10-04, item 8, Infrastructure Canada Phase 1-Project Requests-Clean Water and Wastewater Fund

<b>2015-2019 STRATEGIC PLAN</b>
---------------------------------

This project supports the Wastewater Business Plan and the Strategic Plan with respect to building a sustainable city and robust infrastructure through investments in odour control technology.

<b>BACKGROUND</b>
-------------------

**Purpose**

The purpose of this report is to recommend the award of an installation contract for pre-purchased odour control and air handling equipment at the Greenway plant to J.M.R. Electrical Ltd. This equipment will replace existing odour control equipment in the grit building.

## **Context**

Grit is removed early in a wastewater treatment plant to help prevent costly wear on downstream equipment. The removed material is stored in an open bin within the building before disposal. Air handling units and odour control scrubbers ensure any odours associated with the grit removal process are contained and treated.

## **DISCUSSION**

Odour control scrubber systems typically include both an air handling unit to supply fresh air to and remove odours from a building space and odour control unit to treat the exhausted air. The existing odour control system for the Greenway grit building is 14 years old and uses bleach to treat the odours. Bleach has proven to be very hard on the scrubbers at all City wastewater treatment plants and is being phased out in favour of ozone systems. Ozone systems are safer and have lower operation and maintenance costs. The new air handling unit also incorporates heat recovery providing energy (heat) savings of approximately 30%.

In the summer of 2017 the City awarded a pre-purchase contract for the integrated odour control system to Applied Energy Systems. This contract award is for the installation of the equipment which will be delivered in late March 2018.

### **Procurement Process**

This project was previously tendered and closed on December 13, 2017 with J.M.R. Electrical Ltd. submitting the only bid. The J.M.R. Electrical Ltd. bid was not opened and the project was retendered with a January 18, 2018 closing date in hopes of receiving more bids. Again, J.M.R. Electrical Ltd. was the only bid received and after consultation with the Manager of Purchasing and Supply, their bid was opened.

The bid of \$491,100.00 (excluding HST) submitted was over the pre-tender estimate of \$441,733.50 (excluding HST). The additional costs may be related to the restricted area available for the installation of the equipment and the increased complexity. The general consensus among contractors doing similar work at other City facilities is there is an abundance of this type of work at this time thus retendering the work again will not ensure the submission of additional bids and increases the risk of damage to the equipment while it is stored onsite. There are sufficient funds in the Capital Budget for this work.

## **CONCLUSIONS**

Civic Administration have reviewed the tender bid and recommends that J.M.R. Electrical Ltd. be awarded the contract, it being noted that only one bid was received and it is being reported as an irregular result in accordance with Section 19.4 (c) of the Procurement of Goods and Services Policy. Construction is tentatively scheduled to commence April 2018 with a target completion date of July 2018.

## Acknowledgements

This report was prepared by Mark Elliott, C.E.T. of Wastewater Treatment Operations.

<b>PREPARED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>GEORDIE GAULD DIVISION MANAGER WASTEWATER &amp; TREATMENT OPERATIONS</b>	<b>SCOTT MATHERS, MPA, P.ENG. DIRECTOR, WATER AND WASTEWATER</b>
<b>RECOMMENDED BY:</b>	
<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

Attach: Appendix 'A' – Sources of Financing

Cc: John Freeman – City of London

Alan Dunbar – City of London

- Jason Davies – City of London
- Gary McDonald – City of London
- J.M.R. Electrical Ltd.