

TO:	CHAIR AND MEMBERS FINANCE & ADMINISTRATIVE SERVICES COMMITTEE MEETING ON MONDAY, SEPTEMBER 24, 2012
FROM:	TOM JOHNSON MANAGING DIRECTOR - CORPORATE ASSETS & JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENGINEERING & CITY ENGINEER
SUBJECT:	A.J. TYLER FUEL SITE UPGRADES – SINGLE SOURCE PROJECT No. ME1206 TENDER No. 12-95

RECOMMENDATION

That, on the recommendation of the Managing Director – Corporate Assets and the Managing Director, Engineering & City Engineer:

- (a) The proposal submitted by Middlesex Supply and Maintenance Ltd., 331 Neptune Crescent, London, Ontario, N6M 1A9 at its proposed price of \$174,850 (HST excluded) for the A.J. Tyler Fuel Site Upgrades **BE ACCEPTED**; it being pointed out that the proposal is a single source bid and is in compliance with the Procurement of Goods and Service Policy as per Section 14.4 Single Source, clauses d) and e);
- (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 which are necessary in connection with this project; and
- (d) The approval given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract with the contractor for the work.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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None

BACKGROUND

Purpose:

This report is submitted to seek Council approval to enter into a formal contract with Middlesex Supply and Maintenance Ltd. for the A.J. Tyler Fuel Site Upgrades.

Context:

The Technical Standards and Safety Authority (TSSA) who regulates fuel sites has recently made changes to the act that affect the existing fuel site at the A.J. Tyler Operations Centre. In order to comply with these changes, a number of compliance upgrades are required to the fuel distribution system by January 2013.

Purchasing Process

A tender was issued for the A.J. Tyler Fuel Site Upgrades which closed on September 5, 2012 with only one bidder responding to the tender. The single bid received from Middlesex Supply and Maintenance Ltd. was over budget and non-complaint to the Tender requirements for a bid deposit and performance bonding.

As per our Procurement of Goods and Service Policy, section 14.4 Single Source, item d) and e), staff negotiated with the single bidder and were able to reduce the scope of work in order to meet the budget of \$160,000 (HST and \$15,000 contingency excluded).

This City is prepared to accept either an irrevocable letter of credit or a certified cheque for 10% of the total contract value in lieu of the performance bond for this contract.

Middlesex Supply and Maintenance Ltd. have been providing contracted fuel site supply and maintenance services to the City of London for over 20 years. During this time they have successfully completed a number of projects at various City of London fuel sites and have gained a reputation as a reliable contractor. They are also a TSSA approved contractor and are an active member of the Ontario Petroleum Contractor Association.

Discussion:

The scope of the work briefly includes;

- removal of existing concrete islands and apron,
- removal and reinstallation of existing fuel dispensers,
- installation of new double wall piping with leak detection,
- installation of new under dispenser sump leak detection,
- installation of new electrical service to all equipment,
- installation of new submersible fuel tank pumps, and
- installation of new concrete islands and apron.

The work is scheduled to start at the end of October 2012 and will take 3 weeks to complete.

Impact on Annualized Operating Costs:

There are no additional operating costs associated with the award of this contract.

Acknowledgements:

This report was prepared by Tim Wellhauser, Manager Facilities Design & Construction and Mike Bushby, Division Manager Fleet Services in consultation with John Freeman, Manager Purchasing & Supply.

SUBMITTED BY:	SUBMITTED BY:
BILL CAMPBELL DIVISION MANAGER, FACILITIES	JAY STANFORD, M.A., M.P.A. DIRECTOR – ENVIRONMENTAL PROGRAMS & SOLID WASTE
RECOMMENDED BY:	RECOMMENDED BY:
TOM JOHNSON MANAGING DIRECTOR CORPORATE ASSETS	JOHN BRAAM, P.ENG. MANAGING DIRECTOR, ENGINEERING & CITY ENGINEER

Attach: Appendix “A” – Sources of Financing

- cc: Martin Hayward, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer
 Mike Bushby, Division Manager Fleet Services
 John Freeman, Manager Purchasing and Supply
 Tim Wellhauser, Manager, Facilities Design & Construction