

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON TUESDAY, FEBRUARY 4, 2020</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG. MBA, FEC MANAGING DIRECTOR OF ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>
<b>SUBJECT</b>	<b>SINGLE SOURCE PURCHASE OF TWO TURBO BLOWERS FOR THE OXFORD WASTEWATER TREATMENT PLANT</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director of Environmental and Engineering Services & City Engineer, the following actions **BE TAKEN** with respect to the Single Source Purchase of two APG-Neuros blowers for the Oxford wastewater treatment plant:

- (a) the price submitted by APG-Neuros of \$284,000 excluding HST, for the supply of two blowers and associated components **BE ACCEPTED**;
- (b) the financing for these acquisitions **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 administrative acts that are necessary in connection with this project;
- (d) the approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for the work to be done relating to this project; and,
- (e) 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>
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Civic Works Committee – February 21, 2018 - Single Source Purchase of One Turbo Blower for the Greenway Wastewater Treatment Plant

Civic Works Committee - August 29, 2017 - Single Source Electrical and Mechanical Services for the Turbo Blower Installations at the Greenway Wastewater Treatment Plant

Civic Works Committee - August 22, 2016 - Single Source Purchase of Turbo Blowers for the Greenway Wastewater Treatment Plant

Civic Works Committee - April 28, 2014- Supply of Turbo Blower Systems for Vauxhall, Adelaide and Oxford Wastewater Treatment Plants

## 2015-19 STRATEGIC PLAN

This project supports Wastewater Business Plan and the Strategic Plan with respect to Building a Sustainable City-Robust Infrastructure through investments in energy reduction.

## BACKGROUND

### **Purpose:**

To seek Council approval to purchase two additional turbo blowers and associated components from APG- Neuros for the Oxford Wastewater Treatment Plant. This will be a single source purchase under section 14.4 e) and g) of the City's Procurement of Goods and Services Policy.

### **Context:**

The City purchased one APG –Neuros blowers for Oxford in 2016 with partial funding through "Save on Energy" rebates. Recent operational needs have required the operation of one new turbo blower and one old and less efficient unit. Purchasing two additional turbo blowers with remaining Canadian Water Wastewater Fund (CWWF) funds will help meet the future process demands more efficiently while significantly reducing the capital expenditure and long-term energy costs by approximately \$51,000/per year

## DISCUSSION

In 2013 the City completed an evaluation of available turbo blower suppliers with consideration given to a study conducted by the Ontario Clean Water Agency and a technical review and recommendation by Stantec consulting which showed APG- Neuros with the lowest life-cycle cost. Based on this review five blowers were purchased in 2014 for the Adelaide, Oxford and Vauxhall treatment plants with verified average simple payback of 15 months. Six additional blowers were purchased in 2016 for the Greenway plant with an expected payback of 4.8 months based on available energy savings, incentives and CWWF. The seventh Greenway blower had a 7.7 month payback. At Oxford two turbo blowers operating in parallel will reduce energy consumption by approximately 25% over the current configuration. The estimated payback for the additional blowers at the Oxford Treatment Plant utilizing CWWF funds is approximately 1.5 years. It should also be noted that the existing blowers were installed in 1987 and are near the end of their service life.

## CONCLUSIONS

The Single Source Purchase of two turbo blowers from APG-Neuros will help reduce future energy usage at the Oxford plant while maximizing the use of federal and provincial funding. These blowers can be delivered and installed within the timelines required under the CWWF.

<b>PREPARED BY:</b>	<b>REVIEWED &amp; CONCURRED BY:</b>
<b>GEORDIE GAULD DIVISION MANAGER WASTEWATER 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 OF ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>	

Attach: Appendix "A" – Sources of Financing

cc: John Freeman  
Debbie Gibson  
Omar Hammoud APG-Neuros

**APPENDIX 'A'**

**#20010**

Chair and Members  
Civic Works Committee

February 4, 2020  
(Award Contract)

**RE: Single Source Purchase of Two Turbo Blowers for the Oxford Wastewater Treatment Plant  
(Subledger FS20OX01)  
Capital Project ES5085 - Treatment Plant Energy Reduction with Turbo Blowers  
APG-Neuros - \$284,000.00 (excluding HST)**

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Environmental & Engineering Services & City Engineer, the detailed source of financing for this project is:

<b><u>SUMMARY OF ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Committed to Date</u></b>	<b><u>This Submission</u></b>	<b><u>Balance for Future Work</u></b>
Engineering	\$60,503	\$40,850		\$19,653
City Related Expenses	2,000	606		1,394
Replace Vehicles & Equipment	1,007,287	676,857	288,998	41,432
Additional Vehicles & Equipment	2,706,210	2,706,210		0
<b><u>NET ESTIMATED EXPENDITURES</u></b>	<b><u>\$3,776,000</u></b>	<b><u>\$3,424,523</u></b>	<b><u>\$288,998</u></b> 1)	<b><u>\$62,479</u></b>

  

<b><u>SUMMARY OF FINANCING:</u></b>				
Capital Sewer Rates	\$549,500	\$549,500		\$0
Drawdown from Sewage Works Reserve Fund	423,750	72,273	288,998	62,479
Clean Water and Wastewater Fund	1,902,750	1,902,750		0
Other Contributions	900,000	900,000		0
<b><u>TOTAL FINANCING</u></b>	<b><u>\$3,776,000</u></b>	<b><u>\$3,424,523</u></b>	<b><u>\$288,998</u></b>	<b><u>\$62,479</u></b>

1) **Financial Note:**

Contract Price	\$284,000
Add HST @13%	36,920
Total Contract Price Including Taxes	320,920
Less: HST Rebate	31,922
Net Contract Price	<u>\$288,998</u>

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Jason Davies  
Manager of Financial Planning & Policy