

Municipality of Lakeshore – Report to Council

Operations

Public Works



To: Mayor & Members of Council

From: Krystal Kalbol, P. Eng, Corporate Leader – Operations

Date: August 3, 2023

Subject: Supply and Install Generators at Lakeshore Facilities through Non-Competitive Selection

Recommendation

Approve the total amount of \$688,635.36 (including applicable HST) for supply and installation of seven (7) generators to PowerServe Inc through non-competitive selection;

Approve the over budget amount of \$62,091.68 to be funded from the Facilities Reserves;

Approve the return of funds in the amount of \$1,620,350.00 from the approved Wastewater Capital Budget (2023) to Wastewater Reserves;

Approve \$346,543.68 (including applicable HST) to be funded from the Water Reserves, as presented at the August 15, 2023 Council meeting.

Background

To ensure the seamless operation of Municipality's essential functions, the supply and installation of seven (7) generators is imperative at the below locations:

1. Public Works West Yard;
2. Public Works East Yard;
3. Fire Station #5;
4. Rourke Line Operation Center;
5. Stoney Point Water Treatment Plant (WTP);
6. Haycroft Pumping Station; and
7. Comber Pumping Station.

Over the past two years, Operations has issued Request for Tenders (RFTs) on three (3) occasions to solicit proposals for the supply and installation of generators. No bids were received in response to the RFTs, resulting in the inability to proceed with the installation of the generators as initially intended.

Further, Operations has noted the requirement for the inclusion of three (3) additional generators. These generators were expected to be put forward for funding in 2024, however based on the timelines, this is being brought forward through this process.

Considering the absence of bids received in previous instances for the same equipment, a Non-competitive approach for this procurement is recommended. A vendor has been identified who is prepared to supply the generators.

The non-competitive contract will include the Supply and installation of the seven (7) generators as listed above.

Comments

Lakeshore's Purchasing By-law (section 3.9) allows non-competitive selection for purchases that meet the outlined criteria below:

- i. where competition is precluded due to the application of any Act or legislation or because of the existence of patent rights, copyrights, technical secrets or controls or raw material;
- ii. where due to abnormal market conditions, the good, services, or construction required are in short supply;
- iii. where only one source of supply would be acceptable and cost effective;
- iv. where there is an absence of competition for technical or other reasons and the goods, services, or construction can only be supplied by a particular supplier and no alternatives exist;
- v. where the nature of the requirement is such that it would not be in the public interest to solicit competitive bids as in the case of security or confidentiality matters.

It is understood that Administration is in compliance with the conditions in Lakeshore's Purchasing By-law identified in both items 2 and 4 listed above. The lack of bidders on past RFTs confirms there is an absence of competition for the goods and services and/or short supply required for receipt of bids to complete the project.

Selecting a non-competitive arrangement will mitigate the risks associated with another RFT process that may yield zero bids, thereby saving valuable time and resources.

Administration has identified that customers are facing challenges in locating readily available generators industry-wide, attributed to persistent production issues compounded by high demand.

Therefore, quotes were requested from PowerServe Inc at the request of Administration to move forward with the projects. Quotes along with estimated delivery times were received from PowerServe Inc in July 2023.

PowerServe Inc has also indicated that there is a high lead time for supplying Generators of this category throughout Ontario. The expectation of the material delivery for the project will take approximately 12-14 months and the timeline is not guaranteed. It is imperative that based on the timelines for material and equipment that the material be ordered as soon as possible.

Using a non-competitive selection process for this project meets the criteria outlined in Lakeshore's Purchasing By-law and allows the project to proceed immediately.

Financial Impacts

A summary of the financial impacts has been included below:

Generators for Facilities with Approved Budgets:

Facility	Total Project Cost (excluding HST)	Total Project Cost (including applicable HST)	Approved Budget (year)	Difference (over)/under
Public Works West	\$75,475.00	\$76,803.36	\$60,000.00 (2021 Budget)	(\$84,931.68)
Public Works East	\$66,950.00	\$68,128.32		
Fire Station #5	\$83,500.00	\$84,969.60	\$70,000.00 (2022 Budget)	(\$14,969.60)
Operations Center	\$110,250.00	\$112,190.40	\$150,000.00 (2022 Budget)	\$37,809.60
Total	\$336,175.00	\$342,091.68	\$280,000.00	(\$62,091.68)

Generators for Facilities without Approved Budgets:

Facility	Total Project Cost (excluding HST)	Total Project Cost (including applicable HST)	Approved Budget (year)	Difference (over)/under
Stoney Point WTP	\$157,500.00	\$160,272.00	Proposed for 2024	
Haycroft Pumping Station	\$90,300.00	\$91,889.28		
Comber Pumping Station	\$92,750.00	\$94,382.40		
Total	\$340,550.00	\$346,543.68	\$0	(\$346,543.68)

The difference in the Generators for Facilities with Approved Budgets of \$62,091.68 will be funded from the facilities reserve.

Further, it should be noted, for the 2023 Budget, Council approved a Wastewater budget of \$3.6 million for OCWA Capital, which was subsequently revisited and reduced by the Operations Department to \$2.0 million earlier this year. This resulted in cost savings of \$1.6 million within Lakeshore's 2023 budget.

Because the introduction of generators at these water management facilities was not included in the 2023 budget, it is recommended that the \$1.6 million be reallocated from the approved Wastewater Capital Budget to the Wastewater Reserves and that \$346,543.68 be funded from the Water reserves.

Report Approval Details

Document Title:	Supply and Install Generators at Lakeshore Facilities .docx
Attachments:	
Final Approval Date:	Aug 9, 2023

This report and all of its attachments were approved and signed as outlined below:

Prepared by Krystal Kalbol

Approved by Justin Rousseau and Truper McBride