



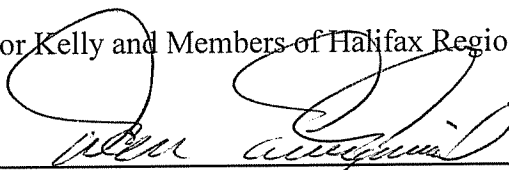
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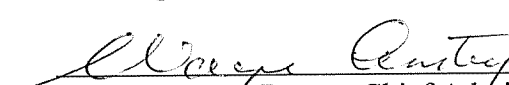
Halifax Regional Council
July 3, 2007

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:



Dan English, Chief Administrative Officer



Wayne Anstey, Deputy Chief Administrative Officer

DATE: June 18, 2007

SUBJECT: Award of Tender No. 07-062 - Biennial Refit, Halifax III

ORIGIN

Approved 2007/2008 Capital Budget.

RECOMMENDATION

It is recommended that Council award Tender No. 07-062 to Lunenburg Foundry & Engineering Limited for the Biennial Refit of the Halifax III for a total cost of \$362,351.00 (net HST included) with funding from Capital Account No. CVD00436, as outlined in the Budget Implications section of this report.

BACKGROUND

The Halifax Regional Municipality operates three(3) ferries that travel the harbour between Halifax and Dartmouth. One of these vessels, the Halifax III (1972), requires refit work. This work must be completed every two(2) years in order for the ferry to meet the requirements of the Department of Transportation, Marine Division Ship Safety.

The items involved with this repair would be:

- delivery of the vessel
- painting of the hull steel
- ultrasonic survey - repairs to hull
- repairs to chain locker
- repairing exhaust ports
- painting and cleaning of the navigation engine room
- replace steel associated with the navigation lights
- replace boiler stock - (passenger area furnace flue system)
- replace halon fire suppressing system
- replace machinery alarm system.

DISCUSSION

The repairs to this ferry are not only mandatory but also allows the vessel to operate on its high frequency service with limited down time.

Due to the age of the vessel, the ultrasonic survey may determine it necessary that the hull plate will have to be replaced. We cannot determine how much will be required to be replaced, until the survey is complete. This is done on a cost/foot basis.

The following bids were received, evaluated and recommended as follows:

<u>Company Name</u>	<u>Lump Sum Price (net HST included)</u>
Lunenburg Foundry	\$362,351.00*

*** recommended bidder**

Note: A second bid of \$488,691.00 (net HST inc.) was received from Shelburne Ship Repair but did not meet all the terms and conditions of the tender.

The refit is expected to commence in mid September and take approximately 8 to 10 weeks, weather permitting, to complete. September is the start of the down season and reduces the impact of the usage of two vessels, compared to three.

BUDGET IMPLICATIONS

Budget Summary: Capital Account No. CVD00436 - Biennial Refit, Halifax III:

Cumulative Unspent Budget	\$620,469
Less Tender No.07-062	<u>\$362,351</u>
Uncommitted Budget	\$258,118

The budget availability has been approved by Financial services

The estimated budget for this project was \$420,000.00

The remaining funds from this account are required to complete the engine rebuilds for the Dartmouth III Ferry.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

ALTERNATIVES

There are no recommended alternatives.

ATTACHMENTS

N/A

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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Report Approved by: _____

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