



PO Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 11.1.1**

**Halifax Regional Council  
April 8, 2008**

**TO:** Mayor Kelly and Members of Halifax Regional Council

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**SUBMITTED BY:**

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Dan English, Chief Administrative Officer

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Wayne Anstey, Deputy Chief Administrative Officer - Operations

**DATE:** March 25, 2008

**SUBJECT:** **Award - Sole Source Purchase, Voith Schneider Propulsion Systems  
Parts - Woodside I Ferry**

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**ORIGIN**

The Approved 2007/2008 Capital Budget.

**RECOMMENDATION**

It is recommended that Council award the sole purchase of the Voith Schneider propulsion systems parts to Voith Turbo Inc. (Canada) for the estimated price of \$145,230. (net HST included) with funding from Capital Account No. CVD00436 Ferry Refit as outlined in the Budget Implications section of this report.

## **BACKGROUND**

Voith Turbo has offered items specifically engineered to suit the requirements of the Voith Schneider propulsion system. Custom parts are specially designed to exactly fit and the standard items offered are the correct grade and type. Voith Parts are sourced from Germany and distributed in Canada through Voith Turbo Inc. (Canada) a wholly owned subsidiary of Voith. The original propulsion system is still in the vessel and was purchased to match the other two (2) harbour ferries. The propulsion systems are very specialized units that are in limited production. The propulsion technology is not obsolete, and is very specialized in the marine industry. These units are very well made and durable. The rebuild will allow for trouble free operation for many years.

### **Name of Company**

### **Total Price (Net HST Included)**

Voith Turbo Inc. Concord, Ontario.

\$145,230\*

### **Recommended\***

## **DISCUSSION**

Woodside I is 21 years old and has never had its propulsion units rebuilt. The vessel has two (2) units, one at the bow and one in the stern. The sole source purchase of seventy-seven (77) parts is required for re-building of these units as they are not readily available and have to be manufactured in Germany. There is considerable lead time (minimum 3 months) needed to line up the delivery of the Voith parts for the September 08 biennial refit. It is vital that we order the necessary parts early so there will be minimal disruption to the ferry service. The estimated price of \$ 145,230 (CDN) is currency based on the Euro (EUR).

## **BUDGET IMPLICATIONS**

Based on Voith Turbo Inc. quoted cost of \$145,230.00, including net HST, funding is available in the Approved 2007/08 Capital Budget from Account No. CVD00436, Ferry Refit, Woodside I. The budget availability has been confirmed by Financial Services.

### **Budget Summary: Capital Account No. CVD00436 - Ferry Refit**

Cumulative Unspent Budget	\$145,230
Less	<u>\$145,230</u>
Balance	\$0

The budget availability has been approved by Financial services.  
The estimated budget for this project was \$145,230.

The remaining funds from this account are required to complete the biennial refit for the Woodside I.

**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 alternatives to this course of action.

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.

Report Prepared by: Jim DeYoung, Superintendent Transit Fleet (490-6916)



Report Approved by: \_\_\_\_\_  
Paul Beauchamp, General Manager, Fleet Services (490-6604)



Mike Labrecque, P. Eng., Director, Transportation and Public Works (490-4855)



Lori Patterson, Acting General Manager, Metro Transit (490-6608)

Report Approved by: \_\_\_\_\_  
for Catherine Sanderson, Senior Manager, Financial Services (490-1562)

