



PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 11.1.2

Halifax Regional Council
October 28, 2008

TO: Mayor Kelly and Members of Halifax Regional Council

A handwritten signature in black ink, appearing to read "Dan English".

SUBMITTED BY:

Dan English, Chief Administrative Officer

A handwritten signature in black ink, appearing to read "Wayne Anstey".

Wayne Anstey, Deputy Chief Administrative Officer

DATE: October 14, 2008

SUBJECT: Award - Tender No. 08-119, Diesel Fuel Dispensing / Storage System

ORIGIN

The Approved 2005/2006 Capital Budget

RECOMMENDATION

It is recommended that Council award Tender No.08-119, Metro Transit Diesel Fuel Dispensing / Storage System to Redden Petroleum for a Total Tender Price of \$349,141.14 (net HST included) with funding from Capital Account Nos. CB300862, CBU00951, CBX01057, all titled Transit Facilities Upgrades and CBR00747 - 200 Ilsley Ave-Underground Tank Removal, as outlined in the Budget Implications section of this report.

BACKGROUND

This tender is meant to address the replacement of 4 (four), 28 year old underground fuel tanks that have outlived their life expectance, with (1) one 100,000 litre vertical above ground tank. The new installation will address several concerns besides the dependability of the ageing equipment. The new tank, being in a vertical configuration, will make a smaller footprint in an area where space is at a premium. The tank is a double wall system with the space between being continually, electronically monitored for leakage. This installation will also reduce environmental concerns as underground tanks are more subject to moisture and corrosion.

DISCUSSION

The cost of supply and replacement was originally estimated at \$300,000.00 and proposed to be executed in the 2005/06 fiscal year. However, during the installation of hydraulic in-ground hoists at 200 Ilsley around the same time as this project was scheduled, oil contamination was encountered and remediated. Part of the approved remediation process was the installation of a number of monitoring wells on the Metro Transit property, several in close proximity to the existing underground tanks. Their purpose is to monitor oil contamination within the ground water on the property. The replacement of the tanks was delayed until the results were analysed over a period of time. Negative results on the ground water testing might have required that the newly installed tanks would have to be moved. However, based on the results to date from the monitoring wells, staff now feel comfortable that the installation of the tank can proceed. In addition to normal inflation, the specific cost increase of steel over the past couple of years has impacted the cost of this project in 2008.

Tender 08-119 was publicly advertised on August 13 and 16, 2008 and closed on August 28, 2008. Seven (7) companies attended the mandatory pre-bid meeting with only one (1) tender submission received.

Name of Company

Total Price (Net HST Included)

Redden Petroleum

\$349,141.14

The scope of the work and existing work commitments precluded several of the qualified companies from bidding on the project.

Note: Redden Petroleum have performed several Fueling System installations for HRM with satisfactory results.

BUDGET IMPLICATIONS

Budget Summary: Capital Account No. CBR00747 - 200 Ilsley Ave-Underground Tank Removal

| | |
|---------------------------|----------------------|
| Cumulative Unspent Budget | \$ 291,598.15 |
| Less: Tender No. 08-119 | <u>\$ 291,598.15</u> |
| Balance | \$ 0 |

Budget Summary: Capital Account No. CB300862 - Transit Facilities Upgrades, Res. 1055.29

| | |
|---------------------------|--------------------|
| Cumulative Unspent Budget | \$ 8,423.60 |
| Less: Tender No. 08-119 | <u>\$ 8,423.60</u> |
| Balance | \$ 0 |

Budget Summary: Capital Account No. CBU00951 - Transit Facilities Upgrades, Res. 1243.21

| | |
|---------------------------|---------------------|
| Cumulative Unspent Budget | \$ 41,604.90 |
| Less: Tender No. 08-119 | <u>\$ 41,604.44</u> |
| Balance | \$.46 |

Budget Summary: Capital Account No. CBX01057 - Transit Facilities Upgrades, Res. 1539.11

| | |
|---------------------------|--------------------|
| Cumulative Unspent Budget | \$ 7,514.95 |
| Less: Tender No. 08-119 | <u>\$ 7,514.95</u> |
| Balance | \$ 0 |

* This project was estimated in the Approved 2005/06 Capital Budget at \$300,000.00

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 to this course of action.


ATTACHMENTS


None.

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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