

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by

Mike Labrecque, Acting Chief Administrative Officer

DATE: June 21, 2012

SUBJECT: Award - Tender No. 12-036, Triennial Ferry Refit Multi-Year Agreement

ORIGIN

Approved 2012/13 Capital Budget

RECOMMENDATION

It is recommended that Halifax Regional Council:

1. Award Tender No. 12-036 Triennial Ferry Refit Multi-Year Agreement, to lowest bidder meeting specifications, Lunenburg Foundry and Engineering Limited, for the triennial ferry refit of the Dartmouth III for the first year, 2012/13, of Multi-Year Agreement for a total cost of \$339,711.65 (net HST included) with funding from Project No. CVD00436 – Biennial Ferry Refit, as outlined in the Budget Implications section of this report; and
2. Authorize staff to award the Triennial Ferry Refit for the subsequent years of 2013/14 and 2014/15 to Lunenburg Foundry and Engineering Limited. In Year two, 2013/14, the total cost for the Halifax III refit is \$367,988.79 (net HST included), and in year three 2014/15 for the Woodside I refit is \$307,359.52 (net HST included). Award is subject to the successful refit of the Dartmouth III in 2012 and future funding through the Capital Budget as approved by HRM Council.

BACKGROUND

Metro Transit’s existing ferries were constructed in 1978 (Dartmouth III and Halifax III) and 1986 (Woodside I). Continued, reliable service from these vessels requires a regular programme of corrective and preventive maintenance. While a significant portion of the maintenance programme is implemented throughout the year, docking is periodically required in order to conduct maintenance activities that cannot be completed while the vessels are in the water.

DISCUSSION

Tenders were publically advertised on the Province of Nova Scotia website and closed on June 14, 2012. Bids were received from the following companies:

<i>Company</i>	<i>Year 1 Dartmouth III (net HST inc.)</i>	<i>Year 2 Halifax III (net HST inc.)</i>	<i>Year 3 Woodside I (net HST inc.)</i>	<i>Total Cost (Net HST included)</i>
Lunenberg Foundry*	\$339,711.65	\$367,988.79	\$307,359.52	\$1,015,059.96*
CME Marine	\$453,494.97	\$500,916.94	\$388,705.21	\$1,343,117.12

*Recommended Bidder

The scope of work for this tender includes pickup and delivery; inspections and surveys; maintenance of hull and hull fittings, decks, plating, cathodic protection, hydraulic ramps, doors and hatches, windows, anchor and chain, fuel tanks, pumps and valves, and exhaust systems; and cleaning and paintwork.

If this award is approved, Lunenberg Foundry will implement the programme of refits over three years (Dartmouth III 2012, Halifax III 2013, and Woodside I 2014).

BUDGET IMPLICATIONS

Based on the lowest tender price of \$325,750.00 plus net HST of \$13,961.65 for a net total of \$339,711.65, funding for Year 1 – Dartmouth III Ferry, is available in the Approved 2012/13 Project Budget from Project Account No. CVD00436 – Biennial Ferry Refit. The budget availability has been confirmed by Financial Services.

Budget Summary: Project Account No. CVD00436 - Biennial Ferry Refit

Cumulative Unspent Budget	\$514,831.27
Less: Tender No. 12-036	<u>\$339,711.65</u>
Balance	\$175,119.62

*This project was estimated in the Approved 2012/13 Project Budget at \$520,000.00.

The balance of funds will be used to cover any unforeseen work on the Dartmouth III or used to

implement the work associated with annual refits of the follow on vessels (Halifax III and Woodside I).

FINANCIAL MANAGEMENT POLICIES/BUSINESS PLAN

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

ALTERNATIVES

There are no recommended alternatives.

ATTACHMENTS

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: Glen Bannon, Manager, Ferry Operations (490-1505)

Procurement Review: _____
For Anne Feist, Operations Manager, Procurement (490-4200)

Report Approved by: _____
Eddie Robar, Director, Metro Transit, (490-6720)
