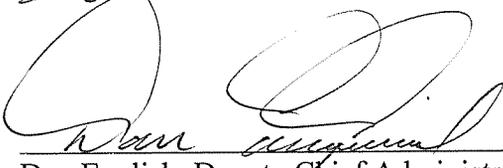


Halifax Regional Council
2 April 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Dan English, Deputy Chief Administrative Officer

DATE: 26 March 2002

SUBJECT: Tender # 01-355, Mid-Life Refit, Dartmouth III

ORIGIN

The Halifax Regional Municipality publicly advertised for qualified contractors to undertake the mid-life refit of the Dartmouth III.

RECOMMENDATION

It is recommended that :

1. Halifax Regional Council approve an increase to Capital Account No. CVD00054, Mid-Life Refit (Dartmouth III) in the amount of \$ 150,461.88 with funding to be provided by a transfer from CRESPOOL.
2. Halifax Regional Council authorize the award of Tender #01-355 to Shelburne Ship Repair (STENPRO) at a cost of \$ 1,248,077.98 plus a 5% contingency for a total of \$1,310,481.88 with funding from Capital Account CVD00054, Mid-Life Refit (Dartmouth III) as outlined in the Budget Implications section of this report.

Note: All prices include the non-refundable portion of the HST.

BACKGROUND

The Halifax Regional Municipality operates three ferries that travel across the harbour between Halifax and Dartmouth. One of these vessels, the Dartmouth III, was built in 1978 and is in need of a major overhaul with the intention of the vessel continuing in service for an additional 20 years.

Tenders were issued for the mid-life refit of the Dartmouth III on January 9, 2002 and closed on March 14, 2002.

DISCUSSION

Two bids were received from Shelburne Ship Repair (STENPRO) and Lunenburg Foundry and Engineering Limited.

The bid from Lunenburg Foundry and Engineering Limited in the amount of \$1,584,730.50 (inclusive of the non-refundable portion of the H.S.T) was disqualified as it did not meet the following tender criteria in the Form of Tender which states " We enclose herewith a certified cheque or bid bonds made payable to the Halifax Regional Municipality". The bidder failed to comply with this criteria and was therefore disqualified.

The tender from Shelburne Ship Repair was evaluated and recommended by staff from Shared Services - Fleet, Transit Services and Financial Services - Procurement.

The bid from Shelburne is in the amount of \$1,376,222.76 (inclusive of the non-refundable portion of the H.S.T.). In order to meet the capital budget, staff reduced the scope of work to those work items required to meet existing transportation standards and keep the ferry operational for the next 20 years which resulted in a cost saving of \$ 128,144.78 for a total price of \$1,248,077.98 . The other work items identified in the original scope of work are primarily cosmetic and will be deferred to a later budget.

Shelburne Ship Repair, a division of the Halifax Shipyards, is a well established ship repairer and has satisfactory work experience with the municipality. The work can be completed before the onset of the summer season in mid June.

BUDGET IMPLICATIONS

Funds in the amount of \$1,248,077.98 plus a contingency of 5% for a total amount of \$1,310,481.88 inclusive of the non-refundable portion of the H.S.T are required for this project. Funds in the amount of \$ 1,160,020.00 are available in the 2001/2002 Capital Budget in Account No. CVD00054, Mid-Life Refit (Dartmouth III) from a total budget of \$1,500,000.00. The balance of the funds in the amount of \$150,461.88 are available from Account #CRESPOOL, the Capital Pool. Staff has reviewed the current status of CRESPOOL and has determined that there will be sufficient funds to cover this expenditure.

This meets the criteria for use of the Capital Pool Fund as per the Capital Pool Fund Procedures report dated May 8, 2001, and approved by Council May 15, 2001.

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

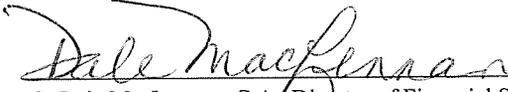
This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation.

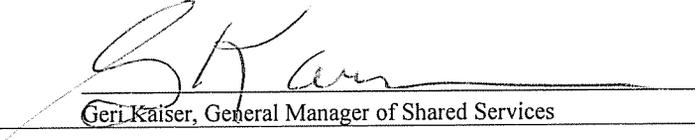
ALTERNATIVES

Regional Council could reject the award of this tender and the request for additional funds from the CRESPOOL, the Capital Pool. This is not recommended. The ferry's continued operation depends upon the completion of the work.

Additional copies of this report, and information on its status, can be obtained by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

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