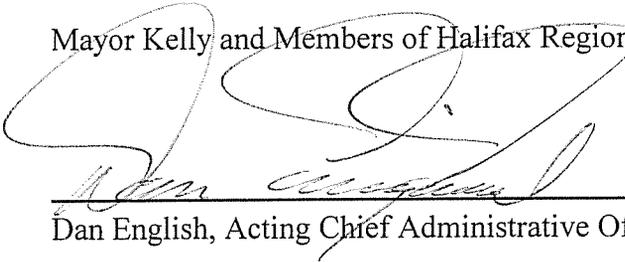


Halifax Regional Council
March 5, 2002

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


Dan English, Acting Chief Administrative Officer

DATE: March 4, 2002

SUBJECT: Award of Tender - Marine Engines

ORIGIN

The Halifax Regional Municipality publicly advertised tenders from qualified dealerships and firms to supply and deliver marine engines for the ferry, the Dartmouth III, for Fleet Services, Shared Services.

RECOMMENDATION

It is recommended that Regional Council authorize the award of Tender #01-107R, Two (2) Marine Propulsion Engines to Atlantic Tractors and Equipment for a total of \$114,943.32 including net H.S.T. with funding available in capital account CVD00054, Mid-Life Refit (Ferry) as outlined in the Budget Implications Section of this report.

BACKGROUND

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

The major refit of the Dartmouth III is scheduled to be completed by late spring.. An essential component of the refit of the vessel is the replacement of the engines. As the installation of the engines has a direct implication to the design specifications for the refit, staff has proceeded to issue a tender for these parts. The engines will be installed as part of this refit. A tender for the refit has been issued and is scheduled to close once the award of the subject tenders is finalized.

The Dartmouth III is presently equipped with a Detroit Diesel 8V-71 engine. This engine is no longer available. As an engine change is required and due to the complexities of changing the engine, staff hired E.Y.E Marine Consultants to review the bids and advise on the best engine match for the propulsion system for the ferry. E.Y.E Marine Consultants were involved in the original design of the Dartmouth III.

The Halifax III was converted in 1999 from a Detroit Diesel 8V-71 to a caterpillar engine and the Woodside I has always been equipped with a caterpillar engine.

DISCUSSION

Tenders were sent to qualified firms for the above noted tenders. The following tenders were received and evaluated.

TENDER #01-107R, Two (2) Marine Propulsion Engines

The bids for the engines were as follows:

Bidder	Total Price (excl. H.S.T.)
Cummins Eastern Canada Inc.(Cummins)	\$ 90,400.00
Detroit Diesel Allison Canada (Volvo)	\$ 92,250.00
Sansom Equipment Ltd (John Deere)	\$105,200.00
Atlantic Tractors & Equipment (Caterpillar)	\$108,000.00

These bids were evaluated by E.Y.E. Marine Consultants and their recommendation is that the bid of Atlantic Tractors and Equipment and the caterpillar engine was the best technical choice based upon the following reasons:

1. All the ferries run on Voith Schneider propulsion units which have specific power performance requirements. The caterpillar engine must closely matches the power and performance requirements

of the ferry and the Voith Schneider propulsion units.

2. The two other ferries are equipped with Caterpillar engines. As a result:

- the engine operating control and engine performance are the same;
- there will be no need to change operating procedures or retrain ferry staff;
- safety systems or processes will remain unaltered;
- there will also be no need to increase the inventory of parts held by the ferry staff to service and repair the propulsion engines.

3. The selection of the caterpillar engine will result in cost savings to HRM as follows

- there will be no requirement to hire an engineering firm to design a new engine bed arrangement, power take-off system, cooling systems, and engine controls at additional cost.
- there will be no need for Transport Canada, and the Canadian Coast Guard to review or approve the new engine configuration and associated cost.
- there will be no need to survey the vessel and conduct stability tests on the vessel after the sea trials of the major vessel refit at added cost.

These costs are unknown until an engine is selected and installed.

It is recommended that Council approve the award of this tender to Atlantic Tractors and Equipment with the caterpillar engine as this engine best fulfils the technical requirements of the ferry.

BUDGET IMPLICATIONS

Funds in the amount of \$108,000 plus net H.S.T for a total of \$114,943.32 are required for Tender 01-107R. These funds are available in Capital Account No. CVD00054, Mid-Life Refit (Ferry) (Gross Budget, \$1,500,000, Available, \$1,102,026).

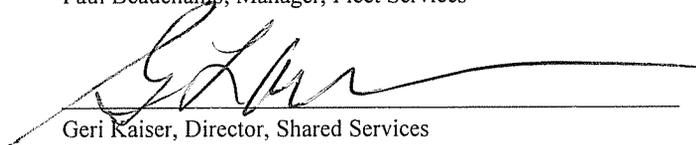
FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

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.

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.

Report Prepared by: Anne Feist, Procurement Coordinator
Paul Beauchamp, Manager, Fleet Services

Report Approved by:



Geri Kaiser, Director, Shared Services