

Meeting Date: November 22, 2000

Subject: Procurement Authorization - CNG Fuelling Plant Annual Maintenance Contract

Recommendation

It is recommended that the Commission authorize the acceptance of Tender No. T31T0106, submitted by FAB Industries Inc., in the upset limit of \$577,283.90 for preventive and corrective maintenance on the Wilson Garage compressed natural gas (CNG) fuelling station for a two-year contract period December 1, 2000 to November 30, 2002.

Funding

Sufficient funds for this expenditure have been included in the 2000 Operating Budget. Adequate provision will be made in the 2001 and 2002 Operating Budgets to cover this expense.

Background

The Commission's CNG buses have been stored, maintained and fuelled at Wilson Garage since 1991. The fuelling station compresses the natural gas to a high pressure and then delivers the gas into the buses at a high rate to minimize fuelling time for buses.

With only one CNG fuelling station, the necessary skills and experience required for preventive and corrective maintenance of the compressors, air dryer, gas detection system, buffer panel, dispensers and computerized control software have been contracted out.

Discussion

Specifications were prepared for the preventive and corrective maintenance of the Wilson Garage CNG fuelling station for a one-year period. Four companies were invited to submit tenders and a public advertisement was placed in the Globe and Mail on July 14, 2000. One firm submitted a tender.

FAB Industries Inc. submitted a tender for the one-year maintenance contract in the upset amount of \$302,256.71. They offered an alternative two-year maintenance contract, based on a five percent discount, for the upset amount of \$577,283.90 or \$288,641.95 per year.

FAB Industries have successfully completed the December 1, 1999 to November 30, 2000 maintenance contract to date for a total value of \$247,857.18. A second fuelling island, upgrades to the computerized control software and a defuelling station were added to Wilson fuelling station in 2000. As a result, maintenance costs have increased accordingly.

The two-year tender submitted by FAB Industries Inc. meets the specifications and is considered commercially and technically acceptable. Based on the five percent discount for a two-year contract, staff recommend the award in the amount of \$577,283.90 for two years (see Appendix A).

The remaining three firms were unable to quote for the reason that they were either too busy with an existing heavy workload or were unable to supply full service to the Commission as per the specification at this time.

Justification

Preventive and corrective maintenance of the Wilson Garage CNG fuelling station is required to ensure reliable fuelling of the CNG bus fleet and to maintain the fuelling station in a safe operating condition.

October 30, 2000

6-75-91

Attachment: Appendix A - **Appendix A**

PROCUREMENT AUTHORIZATION CNG FUELLING PLANT ANNUAL MAINTENANCE CONTRACT CONTRACT NO. T31T0106	
Company	Tender
FAB Industries Inc.	\$303,256.71 (see note)
Precision Compressor Services Inc.	Unable to Quote
Union Gas Ltd.	Unable to Quote
Sulzer Canada Inc.	Unable to Quote

NOTE: FAB Industries submitted an alternative two-year contract for \$577,283.90 or \$288,646.95 per year.

Engineers Estimate: \$250,000.00

Plant Maintenance Department

October 17, 2000