

MEETING DATE: April 6, 2005

SUBJECT: Procurement Authorization Greenwood Shop Substation Switchgear Upgrades Contract GR75-11

RECOMMENDATION

It is recommended that the Commission authorize the award of a contract to Ainsworth Inc. in the amount of \$723,000.00 for Contract GR75-11, Greenwood Shop Substation – Switchgear Upgrades.

FUNDING

Sufficient funds for this expenditure are included in Project 2.2 – Power Distribution/Electric Systems Rehabilitation Program, under Greenwood Shop Substation (as set out on pages 221-223, State of Good Repair/Safety Category) of the TTC 2005-2009 Capital Program, which was approved by City Council on February 23, 2005.

BACKGROUND

The Greenwood Complex is a 31-acre property including six buildings and yard storage for approximately 300 subway cars. The largest building on the complex is the Greenwood Overhaul and Repair Shop, which provides the facilities to maintain and repair subway vehicles.

Electrical power for the Shop, Boiler Plant, Portal, and Way & Structures Buildings is provided by an electrical substation located at the south end of the Shop. Medium voltage switchgear and transformers are located in an outdoor yard, and a low voltage switchboard is located inside the electrical room.

The existing switchgear and switchboard are more than 40 years old and have exceeded their life expectancy. Replacement parts have been difficult to obtain. This electrical equipment must be replaced to ensure reliable power availability to the complex. The peak electrical load for the substation exceeds the capacity of the substation design necessitating the replacement of the transformers with larger capacity transformers.

DISCUSSION

Contract GR75-11, Greenwood Shop Substation – Switchgear Upgrades, provides for all the work related to the removal and disposal of the existing 13.8kV switchgear, two power transformers and 600V switchboard, the supply and installation of replacement equipment and the necessary building modifications.

Specifications and drawings were prepared for Contract GR75-11 and a Request for Tenders was posted on TTC's web site as of February 14, 2005. Fifteen (15) companies requested copies of the tender documents out of which eight (8) submitted a tender as summarized in Appendix A.

Ainsworth Inc. submitted the lowest priced tender. Ainsworth stated a qualification that they were not in agreement to signing the Parental Guarantee form. It was subsequently confirmed that Ainsworth is not a wholly owned subsidiary of any other company, and therefore does not have a parent company, and as such the requirements for a Parental Guarantee would not be applicable. Ainsworth has satisfactorily

completed work of a similar size and nature for the Commission in the past. Their tender is considered acceptable.

Based on a review of Ainsworth's financial statement, it appears they have the financial capability to perform this contract.

B.G. High Voltage Systems Limited (B.G. High) submitted the second lowest priced tender which included the addition of a “notwithstanding” clause to both the Bid Bond form and the Agreement to Bond form which limits the performance bond coverage to two years after the date of substantial performance, thereby not covering the full 5-year warranty period for the transformer equipment. Staff considers this alteration of the bond forms as unacceptable. Their tender is considered unacceptable.

Ontario Electrical Construction Co. Ltd. submitted the third lowest priced tender and did not state any exceptions or qualifications and their tender is considered commercially acceptable.

The other tenders submitted were not evaluated further due to the difference in price.

JUSTIFICATION

The tender submitted by Ainsworth Inc. is the lowest priced acceptable tender.

March 24, 2005
50-21-26
1073599
Attachment – Appendix A

APPENDIX A

**Greenwood Shop Substation
Switchgear Upgrades
Contract GR75-11**

SUMMARY OF TENDERS

COMPANY	TENDERED PRICE
1. Ainsworth Inc.	\$723,000.00
2. B.G. High Voltage Systems Limited	\$754,000.00
3. Ontario Electrical Construction Co. Ltd.	\$770,570.00
4. State Group Ltd.	\$891,277.00
5. Consolidated Canadian Contractors	\$893,000.00
6. Black & McDonald	\$947,770.00
7. ARCO International Enterprises	\$1,180,000.00
8. Schneider Electric	\$1,422,225.00
Engineer's Estimate	\$850,000.00

