

**Meeting Date:** January 12, 2005

**Subject:** Procurement Authorization Replacement Of Turbine Generators Glenayr, Church & Birchmount Emergency Service Buildings (ESBS) And Casa Loma Substation Contract G35-27

### **Recommendation**

It is recommended that the Commission authorize the acceptance of the tender submitted by The State Group Inc. (State) in the amount of \$868,100.00, including Specified Options 1, 2, and 3, for Contract G35-27, Replacement of Turbine Generators - Glenayr, Church & Birchmount Emergency Service Buildings (ESBs) and Casa Loma Substation.

### **Funding**

Sufficient funds are included in Project 2.2 – Power Distribution/Electric Systems Rehabilitation Program, Replace Emergency Power at Emergency Exits (as set out on pages 217-219, State of Good Repair/Safety Category) of the TTC 2005-2009 Capital Program which was approved by the Commission on November 17, 2004.

### **Background**

Seven (7) standby generators are utilized in the subway system to provide emergency power to subway pumps, ventilation, and emergency lighting. These generators have been in service for more than 25 years and require replacement. Three (3) generators have already been replaced. This Contract will provide replacement generators for the remaining four (4).

The generators located at Glenayr and Church ESBs, and Casa Loma Substation have failed and portable diesel generators are presently providing emergency power at these locations. The generator at Birchmount ESB has been tested and vibration analysis indicates imminent failure.

### **Discussion**

Contract G35-27, Replacement of Turbine Generators - Various Locations, provides for all the work related to the removal and disposal of the existing generators, and the supply and installation of new generators and the necessary building modifications.

The base scope of the Work involves two locations, Casa Loma and Glenayr. Originally it was anticipated that this Contract would be awarded in 2004. As funding in the 2004-2008 Capital Budget was not sufficient to complete four (4) locations, the two other locations, Church and Birchmount, were included as Options 1 and 2 respectively. The additional funds are now included in the 2005-2009 Capital Budget to complete all four locations. City Council pre-approval of the additional funds was received November 26, 2004. Therefore, it is recommended to include Options 1 and 2 in the award.

Environmental Impairment Insurance is required as the Work involves handling fuel. It was included as Option 3 so as to enable the Commission to exercise this option if the cost is competitive with that of a Commission acquired policy.

Specifications and drawings were prepared for Contract G35-27 and a Request for Tenders was posted on M&P's web site as of October 4, 2004. Ten (10) companies requested copies of the tender documents out of which four (4) submitted a tender and are summarized in Appendix A.

State submitted the lowest priced tender and did not state any exceptions or qualifications. Their price for Option 3 is lower than that of a Commission acquired policy. State has satisfactorily completed work of similar size and nature for the Commission within the past five years. Based on a review of the Contractor's financial statements, it appears they have the financial capability to perform this Contract. Their tender is considered acceptable.

Quantech Electrical Contractors Limited submitted the second lowest priced tender and also did not state any exceptions or qualifications. Their tender is considered acceptable.

Black & McDonald Limited submitted the third lowest priced tender and also did not state any exceptions or qualifications. Their tender is considered acceptable.

The other tender submitted was not evaluated further due to the difference in price.

**Justification**

The tender submitted by State is the lowest priced acceptable tender including Options 1, 2 and 3.

December 23, 2004

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Attachment – Appendix A

**APPENDIX A**

**Replacement of Turbine Generators  
Glenayr, Church & Birchmount Emergency Service  
Buildings (ESBs) and Casa Loma Substation  
Contract G35-27**

**SUMMARY OF TENDERS**

<b>FIRM</b>	<b>BASE PRICE</b>	<b>SPECIFIED OPTIONS (1 through 3)</b>	<b>TOTAL</b>
1. The State Group Inc.	\$428,000	\$440,100	\$868,100
2. Quantech Electrical Contractors Limited	\$563,000	\$607,000	\$1,170,000
3. Black & McDonald Limited	\$599,000	\$581,000	\$1,180,000
4. Consolidated Canadian Contractors	\$797,000	\$848,000	\$1,645,000
<b>Engineer's Estimate</b>	<b>\$600,000</b>	<b>\$550,000</b>	<b>\$1,150,000</b>

