



The Regional Municipality of Durham Report

To: Works Committee
From: Acting Commissioner of Works
Report: #2023-W-39
Date: October 4, 2023

Subject:

Approval of Unbudgeted Project Financing for the Harwood Avenue Water Pumping Station in the Town of Ajax and Sole Source Procurement of Pre-purchase Equipment

Recommendations:

- A) That the Works Committee recommends to Regional Council that unbudgeted capital financing in the amount of \$350,000* for the pre-purchase of equipment for the Harwood Avenue Water Pumping Station in the Town of Ajax be approved;
- B) That financing for the unbudgeted capital for the pre-purchase of equipment for the Harwood Avenue Water Pumping Station in the Town of Ajax be provided at the discretion of the Commissioner of Finance;
- C) That staff be authorized to negotiate and award a sole source agreement for the supply of Gould pump model 3410 L for Pump#2 from an authorized distributor for the selected Gould Pump make/model in the amount not greater than \$200,000*; and
- D) That the Commissioner of Finance be authorized to execute the necessary documents for the sole source agreement.

Report

1. Purpose

1.1 The purpose of this report is to:

- a) Obtain Regional Municipality of Durham (Region) Council approval for unbudgeted capital funding to pre-purchase equipment (pumps and valves) for the Harwood Avenue Pumping Station; and
- b) Obtain authorization to negotiate a sole source contract for the supply of equipment for the Harwood Avenue Water Pumping Station (WPS).

1.2 Dollar amounts followed by an asterisk (*) are before applicable taxes.

2. Background

2.1 The Harwood Avenue WPS services the Pickering/Ajax water distribution system pressure zones 1 and 2 and supports the transfer of treated water between the Pickering/Ajax and the Whitby/Oshawa/Courtice distribution systems.

2.2 The Region must replace Pump #2 and #8 to handle increased demands from anticipated population growth in Pickering, and the interconnection with the Whitby/Oshawa/Courtice system pumps are reaching the end of their useful lives. Their replacement will provide an opportunity to improve system stability and security.

2.3 Pump #2 will be replaced with an identical pump as Pump #1 within the Harwood Avenue WPS and will be used to pump water to the Whitby/Oshawa/Courtice system.

2.4 Pump #8 will be replaced with an identical pump as Pump #5 within the Harwood Avenue WPS and will be used to pump water to the Westney Reservoir.

2.5 The pump replacements require the simultaneous replacement of their butterfly valves and motorized actuators.

2.6 As part of consistent efforts to achieve service excellence in treated water supply in Pickering/Ajax and Whitby/Oshawa/Courtice, the replacement of Pump #2 and Pump #8, along with their motorized butterfly valves at Harwood Avenue WPS, was assessed by reviewing conditions for safe water supply, operational and maintenance needs.

2.7 Staff recommends that Pump #2 be replaced with Goulds pump model 3410L.

3. Previous Reports and Decisions

3.1 There have been no previous reports related to this project.

4. Sole Source Justification

4.1 Replacing Pump #2, located at Harwood Avenue WPS, will ensure a continuous secure water supply for the Pickering/Ajax system and accommodate the increased demand on the system from the completion of the Seaton and other developments. These improvements will also provide reliability for the Harwood Avenue WPS to transfer treated water to the Oshawa-Whitby system during ongoing construction at the Whitby Water Supply Plant.

4.2 Due to the limited installation space, the existing piping arrangement, and instrumentation compatibility at Harwood Avenue WPS, the pump selected meets these requirements without major design and infrastructure improvements. Installing the specialized equipment will promote asset longevity and reduce unplanned facility maintenance events as the equipment is known already to operators, and the equipment is proven to be functioning well within the working conditions at the existing pumping station.

4.3 Replacements with new pumps and valves already in use at the station will also allow for the interchangeability of parts and reliable maintenance consistent with existing mechanical and electrical equipment.

4.4 Staff estimates that the cost for supply of the selected make and model for Pump #2 should not exceed \$200,000*.

5. Financial Implications

5.1 Section 14.2.2 of the Region's Budget Management Policy requires the approval of the Treasurer, CAO, the applicable Standing Committee and Regional Council for unbudgeted capital expenditures in excess of \$50,000.

5.2 Financing for the pre-purchase of equipment for the Harwood Avenue Water Pumping Station in the Town of Ajax, estimated at \$350,000, will be funded at the discretion of the Commissioner of Finance.

5.3 Section 7.2 of the Region's Purchasing By-law permits:

- The sole sourcing of goods and services under specific circumstances, including where additional deliverables were not included in the initial procurement and where a change of supplier is not recommended due to compatibility/continuity concerns and cost impacts; and
- The acquisition of goods and services through sole source negotiations under specific circumstances outlined in Appendix 'C'. Section 1.1 of Appendix 'C' permits negotiations for goods or services to be supplied only by a particular supplier if no reasonable alternative or substitute goods exist due to the absence of competition for technical reasons.

5.4 The Region's Purchasing By-law also requires Regional Council approval for any negotiated purchases of \$100,000 and greater in value.

6. Relationship to Strategic Plan

6.1 This report aligns with/addresses the following strategic goals and priorities in the Durham Region Strategic Plan:

- a) Service Excellence Goal 5.1: Optimize resources and partnerships to deliver exceptional quality services and value; and
- b) Service Excellence Goal 5.2 Collaborate for a seamless service experience.

7. Conclusion

7.1 Staff recommends the approval of unbudgeted capital financing of \$350,000* for the pre-purchase of equipment for the Harwood Avenue Water Pumping Station in the Town of Ajax.

7.2 Further, staff recommends that authorization for the sole source contract for the pre-purchase of equipment be approved.

7.3 This report has been reviewed by the Finance Department, and the Commissioner of Finance concurs with the financial recommendations.

7.4 For additional information, contact: Mike Hubble, Director, Environmental Services, at 905-686-7711 extension 3460.

Respectfully submitted,

Original signed by:

Ramesh Jagannathan, MBA, M.Eng., P.Eng., PTOE
Acting Commissioner of Works

Original signed by:

Nancy Taylor, BBA, CPA, CA
Commissioner of Finance/Treasurer

Recommended for Presentation to Committee

Original signed by:

Elaine C. Baxter-Trahair
Chief Administrative Officer