



WHISTLER

REPORT | ADMINISTRATIVE REPORT TO COUNCIL

PRESENTED: July 20, 2021
FROM: Infrastructure Services
SUBJECT: FUEL SYSTEM UPGRADE AWARD OF TENDER

REPORT: 21-084
FILE: Y014-01

COMMENT/RECOMMENDATION FROM THE CHIEF ADMINISTRATIVE OFFICER

That the recommendation of the General Manager of Infrastructure Services be endorsed

RECOMMENDATION

That Council direct staff to award the contract for the Fuel System Upgrade project to Protec Petroleum Services Ltd. in the amount of \$473,907.12 (exclusive of GST) in accordance with their proposal submitted June 8, 2021; and

That Council direct staff to prepare a budget amendment to increase the 2021 budget for project Y014-01 from \$360,000 to \$615,000.

PURPOSE OF REPORT

The purpose of this report is to update Council on the Fuel System Replacement Project, get Council direction to award the tender for this work, and direct staff to return with a budget amendment to increase the 2021 budget for this project by \$255,000.

DISCUSSION

The Fuel System Replacement Project includes replacement of the underground fuel tanks and vehicle fueling system at the municipal public works yard. The current tanks and fueling system are now approximately 25 years old and do not comply with today's standards and regulations.

The RMOW Public Works Yard fuel delivery system maintains assured supply of necessary fuels for all vehicles and equipment servicing all aspects of our Municipality. This includes all Municipal vehicles, Whistler RCMP, Fire service and public school buses. The RMOW public works yard is also an integral part of our Emergency Operations Center response plan and the fuel system is critical to its planned emergency operations support to our community.

Upon embarking on this project leading into 2020 it was evident that completing the project in 2020 was not going to be feasible with the delays due to COVID19. At that time, it was decided to procure the long lead time equipment and move forward with the purchase of the underground storage tank (UST), fuel dispensers and monitoring system. The advantages of this early procurement are two-fold; the current estimated delivery for UST's is now more than 12 months, as well as dispensers are back logged, and the price of all similar equipment has substantially increased due to market conditions since we made our purchase.

Items Pre-Purchased;

| | |
|---|-----------|
| Fuel Dispensers and Monitoring System | ~\$30,000 |
| Single split compartment underground storage tank | ~\$58,000 |

These items were purchased from the 2020 project budget.

There are two risks to note on this project, and are reflected in the contingency built into this budget request:

1. **De-watering** – with any excavation project dewatering the excavation is an unknown risk, but with this project starting well into summer water tables should be at their lowest and should have the least effect on the project schedule and budget;
2. **Contamination** – if soil or groundwater contamination are found during the project there are implications that can increase costs, including removal and remediation of soil and groundwater, tracing of contamination, and required environmental reporting.

At this time, we are currently engaged in conversation with the proponent and believe greater savings are possible with slight changes to the scope of work and better time of year for dewatering, however; staff are requesting the budget increase to be sure we have the funds in contingency to complete this project.

TENDER RESULTS

The Invitation to Tender for the Fuel System Upgrade Project was advertised on BC Bid from May 20 to June 10, 2021. This tender was posted during the period that we did not have access to our website so was not advertised on the RMOW website as we normally do, but due to the specialized nature of this work it was expected that fuel system contractors would find this opportunity on BC Bid. A site visit was held for this project on May 27, 2021 with attendance from 2 contractors.

Only one tender was received as follows:

| TENDERER AND ENGINEERS ESTIMATE | | TOTAL PRICE (EXCLUDING GST) | VARIANCE TO ENGINEERS ESTIMATE |
|---------------------------------|-------------------------------------|--------------------------------|--------------------------------------|
| 1 | Protec Petroleum Services Ltd. | \$473,907.12 | +18.5% |
| | | | |
| | Engineer’s Estimate (Morrow) | \$400,000 | - |

Morrow Engineering Ltd., the RMOW’s consultant for this project, has reviewed the bid submission from Protec Petroleum Services Ltd. (Protec) and based on their experience with these types of projects and the history of excellent construction performance by Protec, recommends Protec’s submission as fair and good value to the RMOW.

Protec specializes in installation of fuel systems. As they were the only bidder, and their bid exceeded our budget, we engaged Protec to explore changes to the scope of work that could reduce the total price while still achieving the project outcomes that we need.

Protec identified three items where we could save money if we change the way the project is executed. Our engineering consultant agrees that these changes are acceptable and once the contract is executed, Change Orders for these items will be issued. It is anticipated that the savings from these changes will be in excess of \$20,000.

POLICY CONSIDERATIONS

Official Community Plan

Goals, Objectives and Policies

Policy 4.1.2.16 – Maintain cost-effective and efficient delivery of infrastructure and services.

Upgrading the existing fuel system will provide a more reliable and efficient way of managing our fuel services in the future with the aging system creating down time with failures and malfunctions especially in winter months when our services are critical to the functioning of the resort (snow clearing).

Policy 7.1.1.13 - Eliminate or manage chemicals, as appropriate, that are harmful to human and environmental health.

The new fuel delivery system will significantly reduce the risk of negative impacts to our natural environment and create an eco-safe fuel delivery system that can be relied upon for years to come. Combined with the latest in leak detection monitoring and real time information we also greatly reduce risks of contamination and will provide the ability to respond quickly to any challenges that may arise.

Policy 8.7.2.13 - Facilitate a centrally located, multi-agency Emergency Operations Centre.

The new fuel delivery system supports a centrally located, multi-agency Emergency Operations Center and provides critical fuel supply, with increased capacity to meet our EOC needs, also to our emergency responders and emergency community support.

Goal 10.2 – Substantially reduce GHG emissions from vehicles and transportation.

With increased capacity with the new fuel system, we will be reducing the number of trips our fuel service provider needs to make up the Sea to Sky corridor to supply our system.

BUDGET CONSIDERATIONS

The current budget for the Fuel System Replacement draws from budget code Y014-01 in 2021:

| BUDGET CODE NUMBER & NAME | 2021 BUDGET AMOUNT | ESTIMATED OR TENDER PRICE |
|------------------------------------|--------------------|---------------------------|
| Y01401 – Fuel System Upgrade | \$360,000 | \$473,907 |
| Engineering and Project Management | | \$50,000 |
| Required Contingency | | \$90,000 |
| Proposed Budget Amendment | \$255,000 | |
| Total Proposed 2021 Budget | \$615,000 | \$613,907 |

Design and construction supervision for this project are being provided by the RMOW’s consultant engineer and their fees are anticipated to be \$50,000. A contingency of \$90,000 is recommended in order to ensure the project can be completed if unexpected groundwater conditions or contamination is encountered.

SAFETY CONSIDERATIONS

Protec Petroleum Services, like all RMOW contractors, will be following the recommended safety guidelines with respect to traffic management, confined space entry, and COVID-19 safety plans as set forth by the BC Provincial Health Officer and the BC Construction Safety Alliance. The safe work procedures will be reviewed, approved and adjusted (as required) prior to starting work.

COMMUNITY ENGAGEMENT AND CONSULTATION

NA

SUMMARY

Staff recommend awarding the construction contract for the Fuel System Upgrade project to Protec Petroleum Services. This project will replace the aging fuel system at the Public Works Yard that the municipal fleet, including police, fire department, and school buses depend on.

Respectfully submitted,

Paul Klein
CENTRAL SERVICES SUPERVISOR
for
James Hallisey, P.Eng.
GENERAL MANAGER OF INFRASTRUCTURE SERVICES