

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. OED-2015-0034

**FOR THE CONSIDERATION OF
COUNCIL
AUGUST 11, 2015**

**SUBJECT: CONVEYOR / ESCALATOR LIFT SYSTEM AT THE ROC
CONTRACT NO. OED2015-029**

1. RECOMMENDATION:

- 1. THAT COUNCIL RECEIVE REPORT NO. OED-2015-0034 PREPARED BY THE OPERATIONS AND ENGINEERING DEPARTMENT DATED AUGUST 11, 2015 RESPECTING THE CONVEYOR / ESCALATOR LIFT SYSTEM AT THE ROC.**
- 2. THAT COUNCIL AWARD THE CONTRACT TO LEITNER POMA.**
- 3. THAT COUNCIL APPROVES THE ADDITIONAL FUNDING OF \$200,000 FROM THE PARKS EQUIPMENT RESERVE FUND IN ORDER TO FACILITATE THIS PROJECT AND MEET THE ROC OPEN DATE FOR 2015/2016.**

2. PURPOSE:

To seek Council approval to award a contract where there was only one bidder in response to a call for competitive bids.

To ask for additional funds to complete Capital Project ROC-10 addressing the need for an additional conveyor / escalator lift system at the ROC.

3. BACKGROUND:

In 2012, the Town of Georgina opened the ROC with a single carpet lift system to service the facility. Whenever there is an operational issue with this lift, business continuity is interrupted. We have had approximately 15 significant interruptions throughout the three year operation.

Leitner Poma Canada Inc installed the existing lift as part of the ROC construction project. Leitner Poma Canada Inc also serves as our maintenance contractor.

In preparation for the 2015 budget, staff approached Leitner Poma Canada Inc. for a budget estimate for a new carpet lift, including installation. Staff made it clear to Leitner-Poma Canada Inc. that we needed a budget price, to present to council and

were relying on them as our subject matter experts. We felt with the excellent customer service to date, and their familiarity with all aspects of the current lift and site conditions, that their estimate would accurately reflect a reasonable budget cost.

To further substantiate Leitner Poma's knowledge of the existing carpet lift, it should be noted that the previous Council in 2014, approved a controller replacement; which is a very detailed project undertaken by Leitner Poma. Leitner-Poma was made aware at that time that this controller needed to be expandable for a second new lift. We have had several conversations regarding the addition of a new carpet lift over the past two years.

4. ANALYSIS

By twinning the lift with a second carpet we reduce the potential risk of closure due to breakdown or failure. In the winter of 2014/2015 there was significant interruption totaling three days of down time. Obviously such interruptions create a negative impression of the operation and put us at risk of retaining customers or attracting new customers. With increased sales in season passes, the expectation more than ever is that we will have a lift available to users. When interruptions do occur it is the season holders who are most vocal.

Additionally, with the growing popularity of the ROC there is a constant increase in the volume of users at the ROC year after year. The lift will not only service the high traffic days, Family Day, and March Break, but act as redundancy when service is needed. There is no financial impact or paybacks until the ROC patrons outgrow the capacity of one lift. This new lift is primarily for redundancy.

Leitner-Poma Canada Inc. has advised us that with a start date of August 11, 2015 on the proposed project we could have our lift installed by November 1, 2015, giving us the lift redundancy for the Winter of 2015/2016. As they will be shipping from the United States the confirmed delivery date would be October 15, 2015, which would give their team two weeks for installation. With the installation date of November 1, 2015 this gives over a month for lift testing, and training for all staff on using the twinning lift system.

5. FINANCIAL AND BUDGETARY IMPACT:

The original budgeted amount for this project was \$319,000 which included a 10% contingency of approximately \$35,000, which is reasonable contingency for this type of project.

In response to the issuance of our RFP only one bidder responded, being Leitner Poma. The single RFP received on July 3, 2015 exceeded the budgeted amount for this project.

Approved Budget : \$319,000
 Quote Received: \$576,721

Staff requested a meeting with Leitner Poma to determine their rationale to try to understand what transpired. It became quite obvious that their original budget proposal to the Town of Georgina wasn't comprehensive, and that their spring evaluation brought new items to light. We requested a new comprehensive quote after challenging them on their quote rationale. After negotiations we have received a new quote that is itemized into the work below, including additional costs, labour and engineering. This is a turnkey solution.

In fairness, it should be noted that our CDN dollar has dropped from \$.86 to \$.76 cents USD in the last 6 months and the lift is being purchased from the US.

Summary table of the 3 different prices we received:

Itemized Work	Original Estimate from/email Jan14/15	Tender Received July 03/15	New Negotiated Cost: Post tender of July 03/15
Carpet Lift	Cnd dollar (\$.10)	Included	\$ 243,681
Hand rails for new lift	Not included	Included	\$ 38,000
Pit	Included	Included	\$ 15,000
Retaining wall	Not included	Included	\$ 26,800
Gravel for lift	Not included	Included	\$ 8,000
Shipping	Included	Included	\$12,000
Lumber	Not included	Included	\$12,000
Re-grading	Not included	Included	\$18,000
Electrical parts	Included	Included	\$18,000
Additional costs	Not included	Included	Breakdown below
New lift shack	Not included	Not included	Breakdown below
Labor/ Engineering	Included	Included	Breakdown below
Total	\$319,000	\$ 576,721	\$ 383,481

Project Work	Cost
Itemized Work	\$ 383,481
Additional Costs	\$ 14,425
Labor & Engineering	\$ 91,800
Total Without Shack	\$ 489,706
New lift shack	\$ 15,000
Total Including Shack	\$ 504,706 before HST

Additional Costs	Cost
Forklift	\$ 3,600
Mini excavator	\$ 3,800
Bull dozer	\$ 4,275
Bob cat	\$ 2,750
Total	\$ 14,425

In summary, staff has negotiated a price reduction of \$72,015 from the proposal received in July of \$576,721 to \$504,706.

By approving the additional funding of \$200,000 from the Parks Equipment Reserve fund, not only will we be able to complete the project in its entirety, but we will also be able to allocate funds for a new lift shack which was not initially included in the scope of work. The approval of these new funds will also give us a small contingency of approximately \$ 15,000.

6. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS

N/A

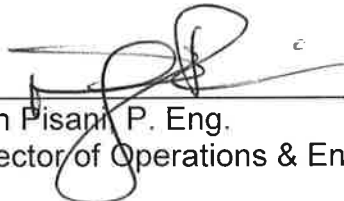
7. CONCLUSION:

In order to ensure business continuity staff recommend that the Town move forward with this project with the additional \$200,000 drawn from the Parks Equipment Reserve Fund.

Prepared by:

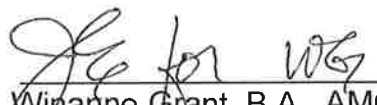
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Recommended by:



Dan Pisan, P. Eng.
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Approved by:



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