



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Jeff Molenhuis
DATE: 06/09/2016
SUBJECT: Wingham Well 4 Generator – Emergency Purchase
ATTACHMENTS: NONE

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receive the report Wingham Well 4 Generator – Emergency Purchase for information;

AND THAT the Council of the Township of North Huron hereby identify the funds necessary to support the Emergency Purchase to be repurposed from the 2016 Water Capital Budget item for the hydraulic pump and the pipe locating equipment;

AND THAT the Council of the Township of North Huron hereby direct the Director of Finance to amend the approved 2016 Budget accordingly.

EXECUTIVE SUMMARY

Staff from Veolia had scheduled maintenance work for Wingham Well 4 generator. At the time the contractor was on-site, a few unplanned, significant maintenance issues were encountered that precluded the generator from being operational immediately without significant cost, and Veolia staff were advised on-site that this particular generator unit will have continued maintenance issues with increased costs. Accordingly, the unit was not brought back into full operation. It was decided with Township staff that, considering the necessity and urgency to provide stand-by power to the well, the item was procured for replacement as an Emergency Purchase in accordance with Section 2.7 of North Huron's Procurement Policy. The need for stand-by power for the water system is necessary for maintain operations of the system. Veolia brought the matter to the attention of Township staff on August 13th. A contractor and replacement unit was selected on August 18th.

DISCUSSION

The emergency element is based on the need for stand-by power for our water systems as any significant loss of supply or pressure would be problematic for the system and would likely shut the system down. The issue was discussed with the CAO, and it was determined that an Emergency Purchase was appropriate considering the urgent nature.

FINANCIAL IMPACT

Veolia requested four quotations from reliable, experienced generator contractors. The lowest total cost, including full HST, is approximately \$14,900.

The Water budget includes a budget line item for regular maintenance work. The Veolia contract also includes some budget for routine maintenance work. The cost of this replacement will fall outside of regular maintenance work identified in the water budget and Veolia contract. Therefore, it is recommended that Council identify funds from the Water Capital Budget for other equipment to pay for the replacement. As noted, the hydraulic

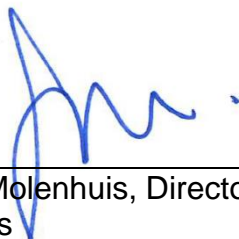
pump and locate equipment are not critical units for replacement at this time, and therefore the budget for these items should be repurposed for the cost of the generator.

FUTURE CONSIDERATIONS

No future considerations at this time.

RELATIONSHIP TO STRATEGIC PLAN

Goal 3 the Township is healthy and safe. Goal 4 the administration is fiscally responsible and strives for operational excellence.



Jeff Molenhuis, Director of Public Works



Sharon Chambers, CAO