
MEMORANDUM

PWC-C 10-2021

Subject: Water and Wastewater Services 2020 Tender Review for Valve Procurement

Date: March 9, 2021

To: Public Works Committee

**From: Anthony Cimino, Associate Director, W-WW Engineering Services
Lindsay Jones, Senior Project Manager Engineering W-WW Services**

A Councillor Information Request was received from Councillor Gale at Public Works Committee on January 12, 2021 for information about the procurement of valves for water and wastewater facilities.

Councillor Gale provided information that he received a complaint from two vendors that a competitor's product had been "sole sourced" in a 2020 tender for an Area 3 project.

Without any further specific information to guide our investigation, staff has conducted a review of all 2020 tenders issued on behalf of Water and Wastewater services (W-WW) Division for capital projects associated with operational Area 3 to determine if there were single-sourcing of valves included in tenders.

A complete list of 2020 tendered projects in W-WW Area 3 are listed in Table 1.

Tender Number	Project	Contractor	Contract Award
2020-T-116	Port Dalhousie WWTP Upgrades Contract 1	Maple Reinders	\$32,599,000
2020-T-18	DeCew WTP Plant 3 Upgrades Contract 1	Kenaidan Contracting Ltd.	\$10,521,620

Tender Number	Project	Contractor	Contract Award
2020-T-59	St David's Road Reconstruction	Beam-Rankin Joint Venture Limited	\$8,364,245
2020-T-1	Port Weller WWTP Bar Screen Replacement	BGL Contracting	\$2,399,885
2020-T-175	Port Dalhousie WWTP Chemical Upgrades	Alltrade Industrial Contractors Inc.	\$1,622,931
2020-T-3	Wellandvale SPS Upgrades	Nielsen-Tran Mechanical	\$823,000
2019-T-332	Baker Road Digester Recoating	JDCMI	\$760,000
2020-T-98	Grimsby WTP Valve and Flowmeter Replacement	Sutherland Schultz Ltd.	\$717,869
2020-T-12	St. Davids Standpipe	Budget Demolition	\$279,890
2020-T-42	Baker Road Electrical, Instrumentation and SCADA Upgrades	Selectra	\$236,000

A detailed review of each tender listed in Table 1 was performed and the results are described below.

2020-T-116 Port Dalhousie WWTP Upgrades Contract 1

There were no single-sourced valves associated with the Port Dalhousie WWTP Upgrades Contract 1 tender.

In the original Issued for Tender specification, there were multiple acceptable manufacturers listed for each valve required for the project. Through Addendum 1, Section 15205 Process Valves and Operators, clause 2.1 was revised to update the approved manufacturers table to match the Region's Approved Product and Equipment List (APEL) list. In addition, a revision was made to the list of approved suppliers. The Region's APEL was included in addendum 1 with the following revisions:

“Niagara Approved Product and Equipment List is provided with this contract. All listed equipment will be considered as long as it is deemed compliance with the technical specification of the contract.”

2020-T-18 DeCew WTP Plant 3 Upgrades Contract 1

There was one single-sourced type of valve associated with DeCew WTP Plant 3 Upgrades Contract 1 tender.

The contract included the supply and installation of two flexible disc check valves for the unwatering pump discharge line. The tendered specification section 15200 Detailed Piping Specification listed Val-Matic Swing-flex series in the general description of the flexible disc check valve. The specification did not list alternative suppliers for this type of valve.

Reviewing the July 5, 2019 APEL list used to develop the DeCew WTP Plant 3 Upgrades Contract 1 tender specifications, there was a misinterpretation of the table formatting by our consultant. The Region's list included two manufacturers under flexible disc check valves. However, the consultant interpreted the list to include only one approved manufacturer for water application. As a result, only one manufacturer was included in the specification.

The estimated cost for the supply of a 200mm Swing-Flex check valve is \$10,000 per unit for a total cost to the contract of \$20,000 for the required two valves.

During tender period, we did not receive any questions by bidding contractors, manufacturers or suppliers to consider an alternate manufacturer for the flexible disc check valve. All suppliers have the opportunity to request that an alternate be considered acceptable during the tendering process.

2020-T-59 St. David's Road Reconstruction

There were no sole-sourced valves associated with the St David's Road Reconstruction tender.

2020-T-1 Port Weller WWTP Bar Screen Replacement

There were no single-sourced valves associated with the Port Weller WWTP Bar Screen Replacement tender.

2020-T-175 Port Dalhousie WWTP Chemical Upgrades

There were no single-sourced valves associated with the Port Dalhousie WWTP Chemical Upgrades tender.

2020-T-3 Wellandvale SPS Upgrades

There were no single-sourced valves associated with the Wellandvale SPS Upgrades tender.

2019-T-332 Baker Road Digester Recoating

There were no single-sourced valves associated with the Baker Road Digester Recoating tender.

2020-T-98 Grimsby WTP Valve and Flowmeter Replacement

There were no single-sourced valves associated with the Grimsby WTP Valve and Flowmeter Replacement tender.

2020-T-12 St. Davids Standpipe

There were no single-sourced valves associated with the St. Davids Standpipe tender.

2020-T-42 Baker Road Electrical, Instrumentation and SCADA Upgrades

There were no single-sourced valves associated with the Baker Road Electrical, Instrumentation and SCADA Upgrades tender.

In summary, one tender issued in 2020 on behalf of W-WW services division for capital projects associated with Area 3 included a single-sources valve in the contract.

WWW Equipment Procurement Standard Practices for Capital Projects

W-WW has a [W-WW Project Design Manual](#) that is used as a guide for staff and consulting engineers involved in the implementation of W-WW capital projects. The manual provides minimum requirements for design preferences and guidelines. In addition, the manual ensures all applicable legislations, codes, by-laws and standards are met within the provided design requirements. Any deviation to this manual must be discussed and approved by Niagara Region staff prior to implementation.

Niagara Region does not directly procure equipment, including valves, for capital projects. Equipment for capital projects is procured by the successful bidder (General Contractor) and does not go through a procurement process undertaken by the Region. However, equipment is selected from Niagara Region's APEL where applicable. Where the consultant deems it necessary to deviate from the APEL, the reasons for the deviation will be noted in an equipment log. Equipment logs identify all equipment that will be installed, removed, and salvaged under the construction contract. The equipment log includes the equipment technical details, lists the acceptable manufacturers and confirms compliance with the APEL. For major equipment deviations from the APEL a technical memorandum must be prepared justifying the change. Justification must also be provided for any equipment where only one manufacturer is listed. The requirement for consultants to submit this detailed equipment log helps W-WW staff ensure our APEL and procurement by-laws are followed.

The Product Review Committee (PRC) and APEL are the tools used by the Region to maintain an open and fair process for companies to be considered as vendors for equipment specified by consultants and procured by contractors for capital projects. Any company may request to be considered for inclusion of the APEL according to the PRC Terms of Reference. The PRC endeavours to consider and be inclusive of vendors while also abiding by the intent of the PRC "to ensure that equipment that is specified in future contracts is appropriate in nature, represents best value and whenever possible, is similar to the equipment that is already incorporated in these facilities". A further intent of the PRC process is to select and specify equipment that guarantees a minimum quality used by consultants and provides for responsible asset and maintenance management.

Respectfully submitted and signed by,

Lindsay Jones, P.Eng.
Senior Project Manager, Engineering
W-WW Services
Public Works Department

Anthony Cimino, C.E.T., CMNI
Associate Director, Engineering
W-WW Services
Public Works Department