

July 23, 2013

MEMORANDUM TO THE TRUSTEES

FROM THE PRESIDENT and CHIEF EXECUTIVE OFFICER

SUBJECT: Niagara Power Project – Design and Construction Support Services for New Tug Vessels – Contract Award

SUMMARY

The Trustees are requested to approve the award of a five-year contract in the amount of \$234,700 to Bristol Harbor Group, Inc. (“BHGI”) of Bristol, RI, for engineering, design and fabrication support services to replace two tug vessels associated with the Robert Moses Niagara Power Project Lake Erie Ice Boom.

BACKGROUND

Section 2879 of the Public Authorities Law and the Authority’s Guidelines for Procurement Contracts require the Trustees’ approval for procurement contracts involving services to be rendered for a period in excess of one year.

The existing tugboat vessels, the *Daniel Joncaire* and the *B-1 Breaker*, are used during the installation, removal and in-service maintenance of the Lake Erie Ice Boom on the Niagara River. In 2012, a study was conducted to evaluate options to ensure the long-term service lives of the 30+ year-old *Daniel Joncaire* and 50+ year-old *B-1 Breaker*. The study identified that the *Joncaire*, which has exceeded its service life for a towing vessel, has experienced severe corrosion and pitting to the hull plating. Additionally, the study indicated that major upgrades will be required to ensure that the vessel will meet the new United States Coast Guard requirements that are expected to be in effect in 2015. These upgrades would include a major overhaul of the vessel including, but not limited to, a complete replacement of the electrical system and replacement of the engines and gears. Additionally, based on the analysis performed, the existing vessel will probably not meet the future stability requirements as a result of the vessel’s low freeboard, which would require a major redesign of the hull as well as structural modifications.

Both vessels, which are in similar condition, are critical to the Niagara Power Project and Ontario Power Generation's Sir Adam Beck Plant operations for winter ice boom deployment and ice breaking duties. As such, new, reliable tug vessels, designed and built in accordance with the latest codes and standards regulated by the American Bureau of Shipping, the Code of Federal Regulations, the Environmental Protection Agency, and the United States Coast Guard, are required for the winter operations on Lake Erie and the Niagara River.

The intent of this contract is to procure the professional marine engineering and naval architecture services of BHGI for the design of the new vessels as well as support during the bidding and fabrication processes. BHGI will assist the Authority in selecting a shipyard to

construct the vessels by reviewing builders' proposals and evaluating their qualifications. Fabrication support will include oversight and inspection during the fabrication process, as well as necessary requirements to document the vessels with the United States Coast Guard. Fabrication of the new vessels is planned for 2015 and 2017 under a separate contract.

DISCUSSION

The Authority issued an advertisement to procure bids in the New York State *Contract Reporter* and bid packages were available as of April 30, 2013. The bid documents were downloaded by thirty-eight (38) potential bidders.

The following three proposals were received on May 30, 2013:

<u>Bidder</u>	<u>Location</u>	<u>Bid</u>
Bristol Harbor Group, Inc.	Bristol, RI	\$234,700
C.R. Cushing & Co., Inc.	New York, NY	\$278,400
Robert Allan Ltd.	Vancouver, BC, Canada	\$473,445

The proposals were reviewed by an evaluation committee comprising of staff from Engineering, Niagara Maintenance, Procurement, and Project Management.

BHGI's bid was the lowest in price and was also technically acceptable. BHGI, having extensive experience in the field of Naval Architecture, has demonstrated knowledge of the scope-of-work, and is capable of completing this project in accordance with the required schedule. BHGI has performed to the Authority's satisfaction on previous projects, including the design of the work barge, *Havasu II*, which is also used during ice boom activities.

In February 2013, the President and Chief Executive Officer authorized preliminary project funding in the amount of \$76,370, which sum is included in the current contract award request, to begin engineering and design services in order to finalize the scope and cost estimate of the overall Vessel Replacement Project. The Capital Expenditure Authorization Request will be presented for approval in 2014. Future funding for 2014 through 2017 will be included in the Capital Budget requests for those years.

FISCAL INFORMATION

Payment associated with this project will be made from the Authority's Capital Fund.

As this is a Joint Works Project, costs for this contract will be shared with Ontario Power Generation.

RECOMMENDATION

The Senior Vice President and Chief Engineer – Operations Support Services, the Vice President – Project Management, the Vice President – Procurement, the Project Manager, and the Regional Manager – Western New York recommend that the Trustees approve the award of a five-year contract to Bristol Harbor Group, Inc. of Bristol, RI in the amount of \$234,700 for the engineering, design, and fabrication support services to replace the *Joncaire* and *B-1 Breaker* tug vessels used during critical ice boom operations associated with the Robert Moses Niagara Power Project.

For the reasons stated, I recommend the approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

Gil C. Quiniones
President and Chief Executive Officer

Att.
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RESOLUTION

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority, approval is hereby granted to award a five-year contract to Bristol Harbor Group, Inc. of Bristol, RI, in the amount of \$234,700, for engineering, design, and fabrication support services to replace the *Daniel Joncaire* and *B-1 Breaker* tug vessels used during critical ice boom operations associated with the Robert Moses Niagara Power Project, as recommended in the attached memorandum of the President and Chief Executive Officer;

Contractor

Bristol Harbor Group, Inc.
Bristol, RI

Contract Approval

\$234,700

AND BE IT FURTHER RESOLVED, That the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Executive Vice President and General Counsel.