

Corporate Report

REPORT NUMBER 070-2025-Infrastructure & Operations-Parks & Open Spaces

DATE

PREPARED

February 28, 2025

FILE

MEETING DATE

March 24, 2025

SUBJECT

James Whalen Tug Tender Award

RECOMMENDATION

WITH RESPECT to Report 070-2025-Infrastructure & Operations-Parks & Open Spaces, we recommend that the contract for the Recycling of the James Whalen Tug Boat proceed and that the entire vessel be recycled;

AND THAT the Commissioner of Infrastructure and Operations report any circumstances to City Council should any significant variations in the contract costs occur;

AND THAT the Commissioner of Infrastructure and Operations be authorized to sign all documentation related to these matters;

AND THAT any necessary by-laws be presented to City Council for ratification.

LINK TO STRATEGIC PLAN

This Report aligns with the following pillar identified in “Maamawe, Growing Together: City of Thunder Bay Strategic Plan 2023-2027.”

Sustainability: To plan and deliver cost-effective services and provide them at a level that we can sustain.

EXECUTIVE SUMMARY

The tender for the Recycling of the James Whalen Tug Boat has closed and the bids received were higher than the estimated project cost with a low tender cost to recycle the entire vessel of \$589,811 [net of HST]. Administration has identified existing funding sources that can be applied to complete the work on this project.

In addition, pricing on three provisional items were received to retain various pieces or sections of the vessel, which ranged in price from \$52,780 to \$217,600 depending on the option chosen.

After the tender prices were received Administration contacted the Transportation Museum of Thunder Bay (TMTB) to offer them the opportunity to fund the provisional items included in the tender that would retain select pieces or entire portions of the deck on the condition that they would fund the additional costs and take over full ownership. The TMTB Board voted in favour to continue discussions with the City to preserve as much of the tug as possible, however they responded stating that they will not commit to funding or accepting ownership without a viable long term land use licence that would allow them to apply for funding.

In consideration of these developments Administration is recommending that the entire vessel be recycled and that no pieces be retained.

DISCUSSION

At the September 16, 2024 Committee of the Whole meeting Administration recommended proceeding with recycling the James Whalen Tug while preserving the bridge and stack for potential future display, and to include a provisional item in the tender for preserving the entire top deck for a total cost of no more than \$415,000.

The tender was prepared so that contract award would be based on the prices received to recycle the entire vessel. In addition, there were three (3) provisional items included to explore options and costs to retain various parts of the vessel. The first provisional item included a list of individual components that could be chosen to retain separately. The second provisional item was to retain the entire top deck, and the third provisional item was to retain the entire vessel deck from the hull waterline up.

The tender RFT-2024-73 was released December 19, 2024 with an original closing date of January 28, 2025 that was extended and closed February 4, 2025. Two tender submissions were received with the lowest bid from Marine Recycling Corporation totalling \$579,600 [not including HST] and the second bid from LH North Ltd. totalling \$1,169,000 [not including HST].

The price breakdown of the provisional items from the lowest tender were as follows:

Provisional Item 1 included ten individual components and had a total cost of \$52,780 to retain all ten items. Retaining only the stack and bridge as per the original recommendation cost just over \$17,000. The Transportation Museum of Thunder Bay has indicated that the stack and bridge have been modified and are not original pieces.

Provisional Item 2 to retain the top deck and all its contents included separate prices based on transportation to three (3) different storage locations (Fisherman's Park West,

Pool 6, and remain on site at 1918 Yonge Street) with prices ranging between \$113,420 and \$166,230.

Provisional Item 3 to retain the entire vessel decks and all their contents included separate prices based on transportation to three (3) different storage locations (Fisherman's Park West, Pool 6, and 1918 Yonge Street) with prices ranging between \$119,470 and \$217,600.

In response to the bid cost being higher than the project estimate and outside of the approved Council direction, Administration contacted the Transportation Museum of Thunder Bay (TMTB) to offer them the opportunity to pursue the provisional items included in the tender on the condition that they fund the additional costs and take over full ownership. The TMTB Board voted in favour to continue discussions with the City to preserve as much of the tug as possible, however they also responded stating that they cannot commit to any action unless the TMTB has a viable long term land use licence that allows them to apply for funding to restore and move the artifact. The negotiation of a new license for the TMTB is a months long process as presented to Council in Closed Session (Confidential Memorandum dated March 5, 2025).

Considering that the project has come in above the estimated cost, the stack and bridge are not original components, and that it is not feasible to negotiate a long-term extension of the Pool 6 land use licence in the tender award window available, Administration recommends proceeding with recycling the entire vessel without retaining any pieces or components through the provisional contract items. Administration has confirmed that key pieces of the James Whalen, most notably the propeller, have previously been preserved and are currently on display in the Thunder Bay Casino.

FINANCIAL IMPLICATION

There is sufficient room in the 2025 Parks Renewal Capital Budget and existing 2024 carry-forward funds to recycle the entire James Whalen Tug Boat at a cost of \$589,811 [net HST]. However, including the additional provisional items would increase the budgetary pressure which may result in certain projects not being funded.

CONCLUSION

It is concluded that Administration should proceed with the tender award to recycle the entire James Whalen Tug for a cost of \$589,811 [net of HST]

BACKGROUND

At the September 16, 2024 Committee of the Whole meeting Council received Report 263-2024 Kam River Heritage Park- James Whalen Tug Options as well as a memo titled "Kam River Heritage Park- James Whalen Tug Options - Revised Recommendation". Administration recommended proceeding with recycling the James Whalen tug while preserving select pieces for potential future display, and to include a provisional item in the tender to preserving the entire top deck for a total project cost of no more than \$415,000.

REFERENCE MATERIAL ATTACHED

None.

REPORT PREPARED BY

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Infrastructure & Operations Department

REPORT SIGNED AND VERIFIED BY

Kayla Dixon, Commissioner Infrastructure & Operations

March 14, 2025