

NO: **R051**

COUNCIL DATE: April 14, 2014

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **April 10, 2014**

FROM: **Acting General Manager, Engineering**

PROJECT FILE: **5513-102-11**

SUBJECT: **District Energy System Utility (Surrey City Energy) - Award of Contract
M.S. 5513-102-11**

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Award Contract M.S. 5513-102-11, in the amount of \$640,536.75 including GST, to Canadian Engineered Products and Sales Ltd for the delivery of a portable natural gas boiler plant; and
2. Set the expenditure authorization limit for Contract M.S. 5513-102-11 at \$705,000.00 including contingency and GST.

SCOPE OF WORK

The work associated with the subject contract is to design, build, deliver, install and commission a portable natural gas boiler plant (the "Plant"). This property's adjacency to City Centre development makes a good temporary location for this Plant on City parkland located in City Centre. The equipment will be fabricated off-site and delivered to the location at 10357 – 133 Street shown on the map, which is attached as Appendix I to this report. The Plant will be used to temporarily provide thermal energy service to a number of buildings in the City Centre until a permanent thermal energy plant is constructed on the site in the future. The Plant will allow Surrey City Energy to provide interim thermal energy service to its initial customers while keeping initial capital costs low. The timing of the permanent thermal energy plant is dependent on the pace of development in the area, but is expected some time in or around year 2018.

Following construction of the permanent thermal energy plant, the Plant will be relocated to a site as needed to provide temporary thermal energy service to other future developments in the City Centre.

The contract work is expected to start in April 2014 and be completed by November 30, 2014.

RESULTS

A Request for Quotations (RFQ) was advertised on the City's website and BC Bid. Quotations for the subject contract were received on March 4, 2014, with the results summarized below. The results below include each of the contractors' base price and select optional items.

	<i>Contractor</i>	<i>Amount with GST</i>	<i>Corrected Amount</i>
1.	Canadian Engineered Products (base submission)	\$640,536.75	No Change
2.	Keith Plumbing & Heating Co. Ltd.	\$709,590.00	No Change
3.	Canadian Engineered Products (alt. submission)	\$722,830.50	No Change
4.	All-Pro Services Ltd.	\$765,906.60	No Change
5.	BC Boilers Services Ltd.	\$1,015,234.50	No Change
6.	Total Energy Systems	\$1,349,854.80	No Change
7.	BC Construction Black & McDonald	\$1,472,073.75	No Change

The Engineer's pre-bid estimate was \$730,800.00 including GST.

EVALUATION

The City's consultant reviewed the submissions for accuracy and completeness. No errors were found.

The successful proponent, Canadian Engineered Products and Sales Ltd, has provided a Consent of Surety for Performance Bond, Labour & Materials Bond, and agreed to complete the work by November 30, 2014 as stipulated in the contract. Canadian Engineered Products and Sales Ltd.'s past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that Canadian Engineered Products and Sales Ltd be awarded Contract M.S. 5513-102-11.

PARKS, RECREATION & CULTURE DEPARTMENT COMMENTS

Engineering has consulted with staff of the Parks Division, who support the installation of the temporary Plant on the parkland at the approximate location shown on the map in Appendix 1. No trees will be removed through the temporary installation of the Plant on this property. Future park development will incorporate a final footprint within the park site for a permanent plant if required.

SUSTAINABILITY CONSIDERATIONS

The implementation of a district energy system in the City Centre supports the Economic and Environmental Pillars of the City's Sustainability Charter under the following specific elements of the Charter:

- EC8: Energy security by promoting the use of low-impact, renewable energy sources and promoting community energy solutions;
- EN1: Energy efficiency by incorporating alternative energy systems such as geo-exchange and solar heating systems as potential heat sources; and
- EN10: Integrated Community Energy Master Plans by developing an Integrated Community Energy Master Plan for the City Centre and by working with property owners to promote and increase building energy efficiency through implementation of a district energy system.

FUNDING

Funding for this contract is available in the approved 2014 Budget.

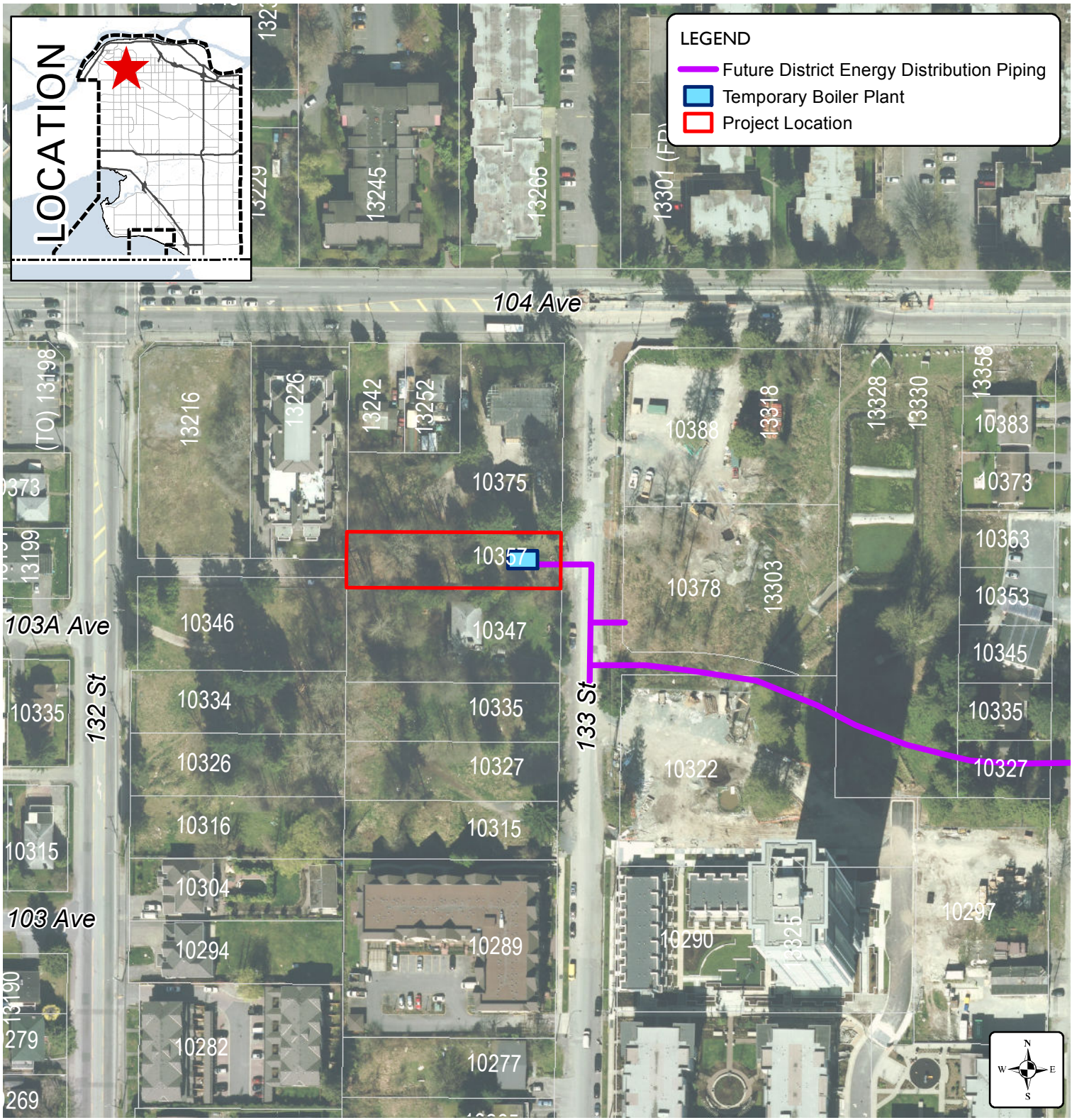
Gerry McKinnon
Acting General Manager, Engineering

VAL/GMC/JA/JO/WG/brb/ras

Appendix I - Map of Temporary Boiler Plant Location

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APPENDIX I AERIAL PHOTOGRAPH OF SITE



LEGEND

- Future District Energy Distribution Piping
- Temporary Boiler Plant
- Project Location

Produced by GIS Section: 26-Mar-2014, AW8

Date of Aerial Photography: March 30, 2013



CONTRACT MS 5513-102-11

ENGINEERING DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

Source: G:\MAPPING\GIS\Maps\CorporateReps\Other\CS-CCDEPhase1BoilerPlant-AP.mxd