

NO:

COUNCIL DATE:

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **May 25, 2015**

FROM: **General Manager, Engineering** PROJECT FILE: **5514-105/11**

SUBJECT: **Award of Contract M.S. 5514-105-11
District Energy System Utility (Surrey City Energy)**

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Award Contract M.S. 5514-105-11 to All-Pro Services Ltd. in the amount of \$933,436.44, including GST, for the design, delivery and construction of a portable natural gas boiler plant; and
2. Set the expenditure authorization limit for Contract M.S. 5514-105-11 at \$1,030,000.00, 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"). The Plant will be fabricated off-site and delivered to the location shown on the map 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 vicinity of the King George SkyTrain Station. The Plant will allow Surrey City Energy to provide interim thermal energy service to its initial customers while keeping initial capital costs low. A similar plant was constructed on the future park site at 10357 133 Street to serve early customers in the vicinity of the Surrey Central SkyTrain Station.

Following construction of a permanent thermal energy plant in the area and/or integration of the King George and Surrey Central district energy nodes, the Plant will be relocated to another site as needed to provide temporary thermal energy service to other future developments in City Centre.

The contract work is expected to start in June 2015 and be completed by March 31, 2016.

REQUEST FOR QUOTATIONS RESULTS

A Request for Quotations (RFQ) was advertised on the City's website and BC Bid. Quotations for the subject contract were received on April 27, 2015, with the results summarized below. As this will be a design-build contract, the RFQ allowed contractors to submit designs with slightly different output capacities (measured in megawatts, MW). A technical score equation was provided in the RFQ to allow the City to evaluate the submissions with an emphasis on cost per unit of output capacity (\$/MW). The results below include each of the contractors' base price and select optional items, along with the power output capacity.

Contractor	Technical Score (out of 100)	Output Capacity (MW)	\$/MW	Total Amount (with GST)	Corrected Amount
All-Pro Services Ltd.	100	6.3	\$148,000	\$933,436.44	No Change
Canadian Engineered Products (alternate)	78	5.9	\$191,000	\$1,123,185.47	No Change
Canadian Engineered Products (base)	76	4.5	\$201,000	\$895,510.35	No Change
Westway Plumbing & Heating Inc.	68	5.0	\$222,000	\$1,100,078.72	No Change

The Engineer's pre-bid estimate was \$997,500, including GST, for a 6.4 MW plant.

EVALUATION

The City's consultant reviewed the submissions for accuracy and completeness. No errors were found. Staff and the City's consultant also evaluated the submissions based on the technical equation. All-Pro Services Ltd. achieved the highest technical score, mainly due to the high output capacity as their plant has a 40% higher output capacity than the lowest price bidder for only a 4.2% higher cost. This added capacity will provide the City with more flexibility in servicing additional developments near the King George SkyTrain Station as the developments arise.

The successful proponent, All-Pro Services Ltd., has provided a Consent of Surety for Performance Bond, Labour & Materials Bond, and agreed to complete the work by March 31, 2016, as stipulated in the contract. All-Pro Services Ltd.'s past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that All-Pro Services Ltd. be awarded Contract M.S. 5514-105-11.

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;
- EN1: Energy efficiency; and
- EN10: Integrated Community Energy Master Plans.

FUNDING

Funding for this contract is available in the approved 2015 Budget.

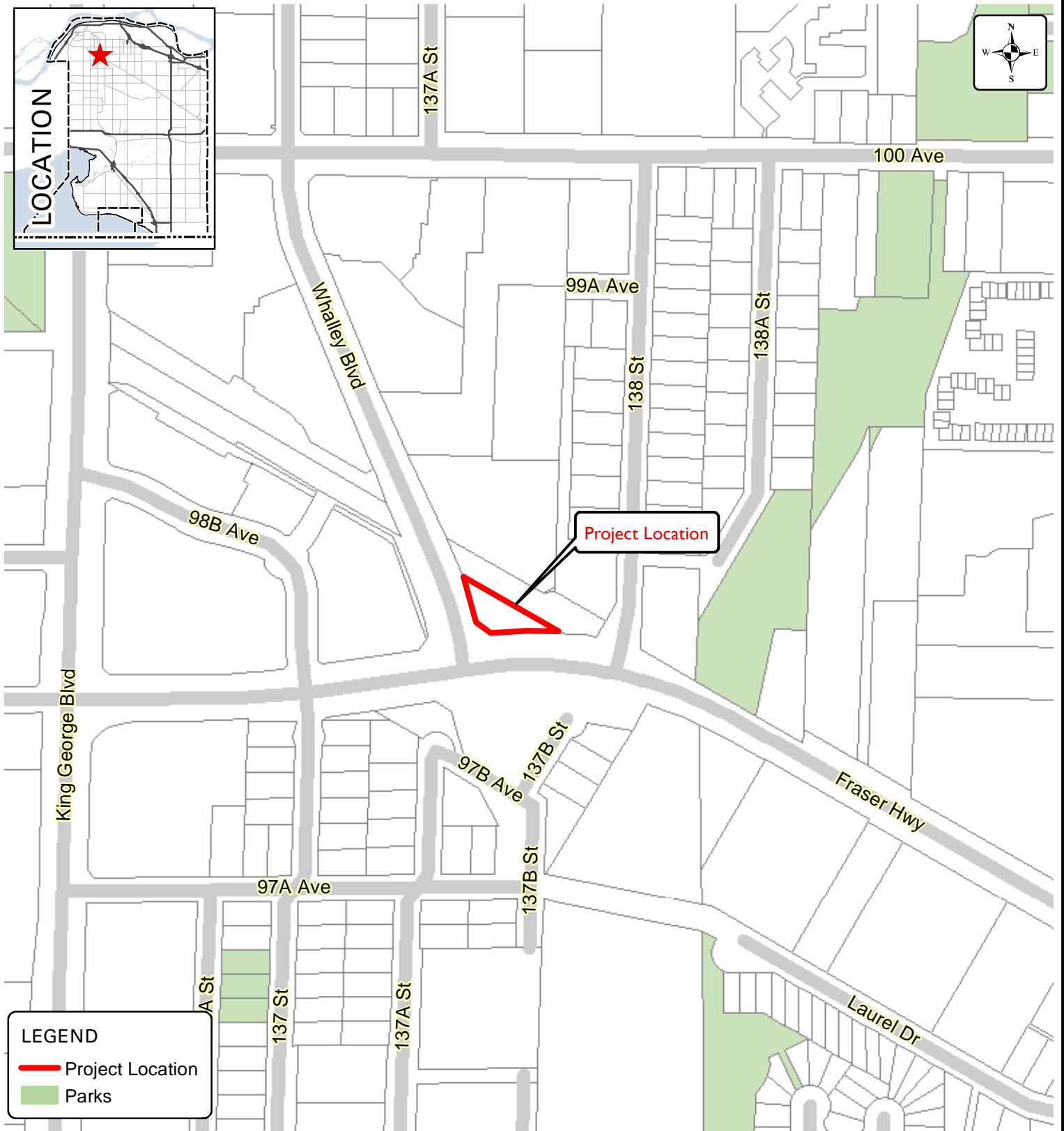
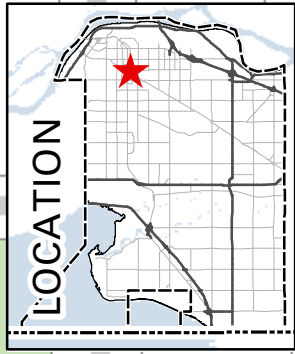
Fraser Smith, P.Eng., MBA
General Manager, Engineering

SBN/JO/WG/clr

Appendix I - Map of Temporary Boiler Plant Location

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APPENDIX I



LEGEND

- Project Location
- Parks

Produced by GIS Section: 22-May-2015, EM9



CONTRACT MS 5514-105-11
District Energy System Phase 2
Temporary Boiler Plant

ENGINEERING
DEPARTMENT