

NO: R144

COUNCIL DATE: July 13, 2015

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 8, 2015**
 FROM: **General Manager, Engineering** PROJECT FILE: **5514-105/21**
 SUBJECT: **Award of Contract M.S. 5514-105-21**
District Energy System Phase 2A

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Award Contract M.S. 5514-105-21 to Division 15 Mechanical Ltd. in the amount of \$2,465,400.00, including GST, for infrastructure for the City Centre District Energy System Phase 2A; and
2. Set the expenditure authorization limit for Contract M.S. 5514-105-21 at \$2,712,000.00, including GST and contingency.

SCOPE OF WORK

The construction package related to this contract consists of the supply and installation of:

- Approximately 600m of the Distribution Piping System (DPS), which conveys thermal energy between a temporary energy plant and customer buildings in the vicinity of King George SkyTrain station;
- Two (2) Energy Transfer Stations, which are located in customer buildings (Concord Park Avenue Phases 1 & 2) and transfer thermal energy from the DPS to the customer buildings; and
- Service connections for the temporary energy plant.

The work is illustrated on the map attached to this report as Appendix I. The contract work is expected to start in August 2015 and be completed by July 2016.

TENDER RESULTS

Tenders for the subject contract were opened on June 29, 2015 with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Division 15 Mechanical Ltd.	\$2,465,400.00	No Change
2. B. Cusano Contracting (2007) Inc.	\$3,108,000.00	\$3,112,200.00
3. All-Pro Services Ltd.	\$3,106,655.17	\$3,123,807.35

The Engineer's pre-tender estimate was \$3.27 Million including contingency and GST.

EVALUATION

The City's consultant reviewed the tenders for accuracy and completeness. There were two arithmetic errors that had no bearing on the outcome of the tender process. All submissions included the required 10% bid bond, were signed and sealed on the Tender Form, and were initialled on the Summary Sheet of the Schedule of Quantities and Prices.

The low bidder, Division 15 Mechanical Ltd., has provided a Consent of Surety for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work within the schedule stipulated in the contract. Division 15 Mechanical Ltd.'s past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that Division 15 Mechanical Ltd. be awarded Contract M.S. 5514-105-21.

SUSTAINABILITY CONSIDERATIONS

The implementation of a district energy system in the City Centre supports the Economic and Environmental Pillars. In particular, the project supports the following City Sustainability Charter scope actions:

- 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

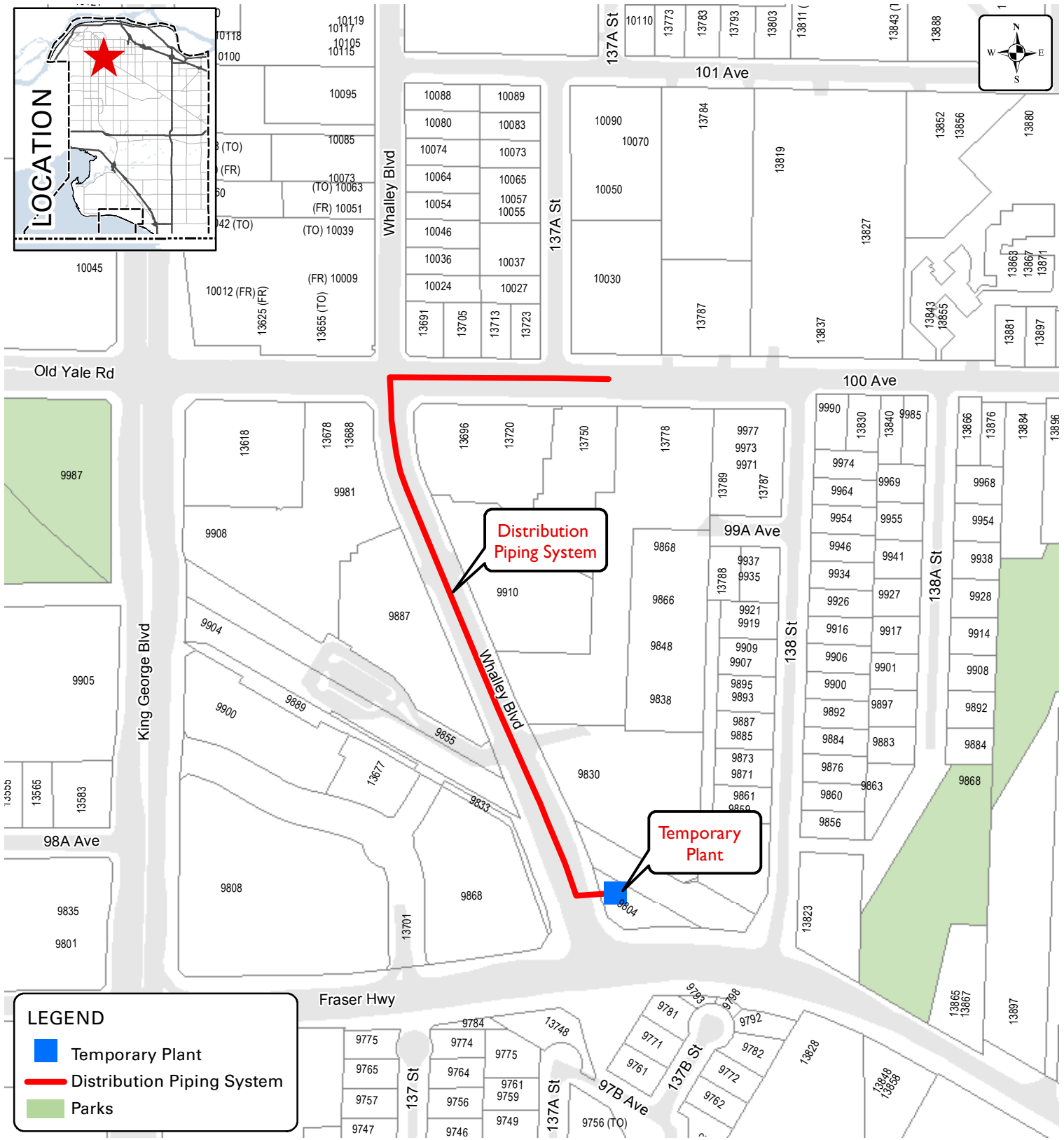
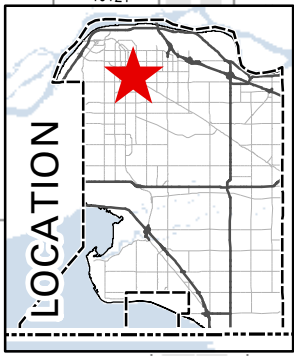
Funding for this contract is available in the approved 2015 District Energy Budget.

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

SBN/WG/clr

Appendix I - Map of Location - Contract M.S. 5514-105-21

APPENDIX I



LEGEND

- Temporary Plant
- Distribution Piping System
- Parks

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CONTRACT MS 5514-105-21
District Energy System - Phase 2A

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.