

NO: R152

COUNCIL DATE: September 25, 2023

**REGULAR COUNCIL**

TO: **Mayor & Council** DATE: **September 21, 2023**  
 FROM: **General Manager, Engineering** FILE: **5522-002**  
 SUBJECT: **Award of Contract No. 1220-020-2023-004**  
**District Energy Transfer Stations and Associated Works**

**RECOMMENDATIONS**

The Engineering Department recommends that Council:

1. Award Contract No. 1220-020-2023-004 to Division 15 Mechanical Ltd. in the amount of \$878,482.50 (including GST) for construction of District Energy Transfer Stations and Associated Works;
2. Set the expenditure authorization limit for Contract No. 1220-020-2023-004 at \$967,000.00 (including contingencies and GST); and
3. Authorize the General Manager, Engineering to execute Contract No. 1220-020-2023-004.

**INTENT**

The intent of this report is to seek Council’s approval to award a contract for the supply, install, and commissioning of three district energy transfer stations and interior piping and associated works.

**DISCUSSION**

**Scope of Work**

The construction package related to this contract consists of the supply, installation and commissioning of mechanical and electrical equipment for three energy transfer stations (“ETS”) and their interior piping design which are located in customer buildings and transfer thermal energy from the City’s district energy piping to the building. The work will be conducted at the locations listed in the following table, which are also illustrated on the map attached to this report as Appendix “I”:

Map Reference Number	Project #	Project Description	Location
1	E-19519	District ETS and DPS – Pura	13238/13258 105 Ave
2	E-19075	District ETS – Sunshine Housing	13225 104 Ave
3	E-19082	District ETS and DPS – Quinn	9456/9442 134 St and 13439 94A Ave

## Invitation to Tender Results

Tenders for the subject contract were opened on September 7, 2023, with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Division 15 Mechanical Ltd.	\$878,482.50	No Change
2. All-Pro Services Ltd.	\$1,014,218.10	No Change

The Engineer's (FVB Energy Inc.) pre-tender estimate was \$834,500.00 (including GST).

## Evaluation

Three tender submissions were reviewed for accuracy and completeness. All submissions included the required 10% bid bond and were signed on the Tender Form. One submission was deemed non-compliant and as such was rejected. The remaining two submissions were found to be compliant and were fully evaluated. Both contractors have presented detailed project schedules that closely adhere to substantial performance dates.

The low bidder, Division 15 Mechanical Ltd., has provided a Surety's Agreement to Bond for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work in accordance with the contract schedule. 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 No. 1220-020-2023-004.

## Project Schedule

The Contract work is expected to start in October 2023, and be completed by summer 2024.

## FUNDING

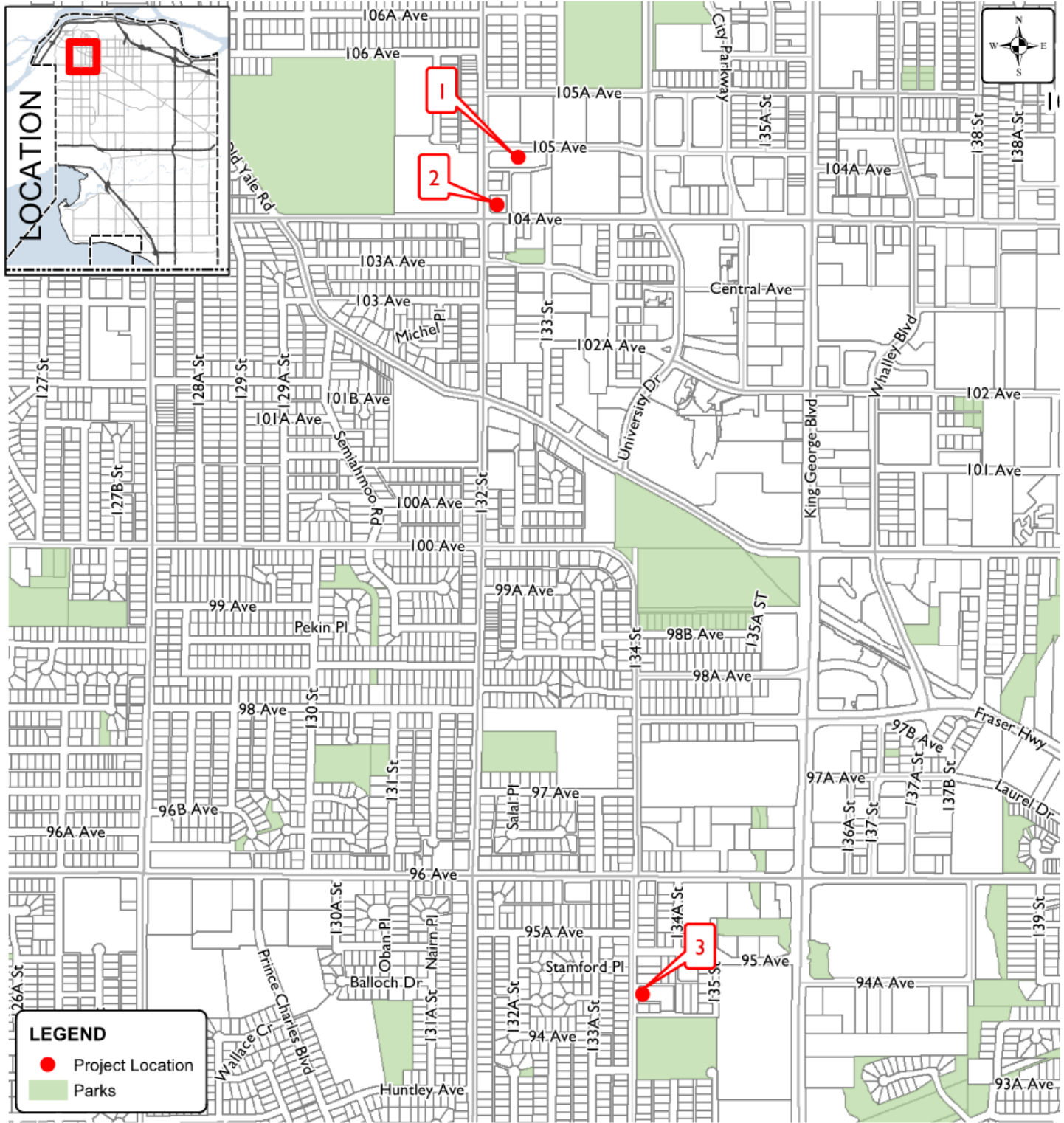
Funding for this Contract is available in the approved 2023 District Energy Budget.

Scott Neuman, P.Eng.  
General Manager, Engineering

JO/bn

Appendix "1" – Map of Locations – Contract No. 1220-020-2023-004

# APPENDIX "I"



## Contract No.1220-020-2023-004 District Energy Transfer Stations and Associated Works

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.