

NO: R054

COUNCIL DATE: March 28, 2022

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **March 21, 2022**

FROM: **General Manager, Engineering** FILE: **5519-001/21**

SUBJECT: **Award of Contract No. 5519-001-21**
District Energy Distribution Piping System Expansion

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 5519-001-21 to Rissling Services Ltd. in the amount of \$4,145,733.90 (including GST) for the District Energy Distribution Piping Expansion project;
2. Set the expenditure authorization limit for Contract No. 5519-001-21 at \$4,560,000.000 (including GST and contingency); and
3. Authorize the General Manager, Engineering to execute Contract No. 5519-001-21.

SCOPE OF WORK

The construction package related to this contract consists of the installation of a temporary energy centre, approximately 1,005 metres of District Energy insulated steel pipe, leak detection system, and communication network conduit. 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 “1”:

Map Reference Number	Project #	Project Description	Location
1	E-18224	Temporary Energy Centre	13458-107A Avenue
2	E-18108	District Energy System Extension	10626-City Parkway Development 7817-0517
3	E-17544	District Energy System Extension	13868-101 Avenue Development 7815-0237
4	E-16808	District Energy System Extension	10160-133 Street Development 7814-0208

The temporary energy centre was previously located at the site of West Village park before the permanent energy Centre was completed. This temporary energy centre will be operated in its new location for approximately 5 years. This approach allows for the gradual expansion of the pipe network in step with the growth of new development in City Centre.

The contract permits construction from 7:00 a.m. to 10:00 p.m., Monday through Friday, in compliance with the *Surrey Noise Control Bylaw, 1982, No. 7044*. The contract does not include an option for contractors to work 24-hours a day, seven days a week as portions of the work are located within a residential area.

The contract work is expected to start in April 2022 and be completed by November 2022.

TENDER RESULTS

Tenders for the subject Contract were opened on March 10, 2022 with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Rissling Services Ltd.	\$4,145,733.90	No Change
2. Clearway Construction Inc.	\$4,975,299.00	No Change

The Engineer's (Kerr Wood Leidal Associates Ltd.) pre-tender estimate was \$5.3 million including GST.

EVALUATION

The submissions were reviewed for accuracy and completeness. One tender was found to be noncompliant and, as such, was rejected. No errors were found of the remaining two compliant submissions. All submissions included the required 10% bid bond and were signed on the Tender Form.

While the City's competitive, public tender process yielded fewer tender submissions than average due to the specialized nature of the work, the lowest tender represents competitive pricing and is within the engineer's estimate.

The low bidder, Rissling Services Ltd., has provided a Consent of Surrey for a Performance Bond and a Labour & Materials Bond, and agreed to complete the work within 150 working days, as specified in the Contract. Rissling Services Ltd past performance on similar work has been satisfactory. They have no outstanding legal claims against the City. It is recommended that Rissling Services Ltd. be awarded Contract No. 5520-001-21.

SUSTAINABILITY CONSIDERATIONS

The work of this contract supports the objectives of the City's Sustainability Charter 2.0. In particular, the project relates to the City Sustainability Charter 2.0 themes of Built Environment and Neighbourhoods, and Infrastructure. Specifically, this project supports the following Desired Outcome ("DO") and Strategic Directions ("SDs"):

- Building and Sites SD13: Continue to support low-carbon district energy networks;

- Energy and Climate DO8: Neighborhood-scale district energy systems provide low-carbon energy in dense urban neighborhoods; and
- Energy and Climate SD8: Identify areas (residential, commercial, and Industrial) where low-carbon district energy is viable and support development of new systems.

FUNDING

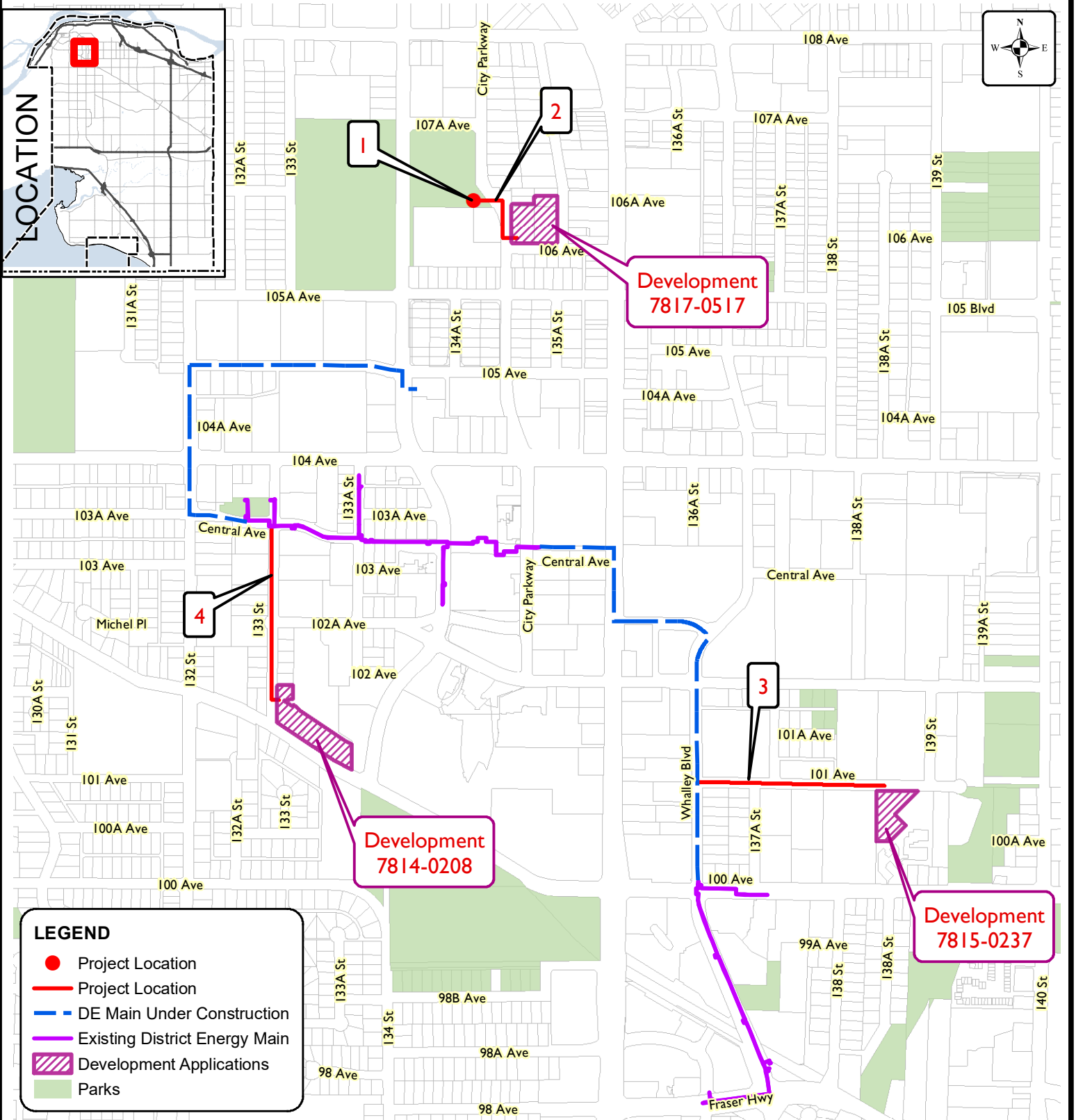
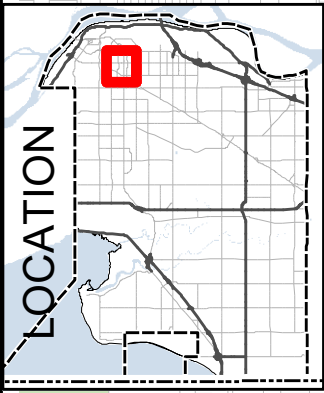
Funding for this Contract is available in the approved 2022 Utilities Budget.

Scott Neuman, P.Eng.
General Manager, Engineering

VJ/bn

Appendix "I" – Map of Locations – Contract No. 5519-001-21

[https://surreybc.sharepoint.com/sites/eng.administration/wp docs/2022/admin/cr/final/march 28/award of contract no. 5519-001-21 district energy distribution piping system expansion.docx](https://surreybc.sharepoint.com/sites/eng.administration/wp%20docs/2022/admin/cr/final/march%20award%20of%20contract%20no.%205519-001-21%20district%20energy%20distribution%20piping%20system%20expansion.docx)
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LEGEND

- Project Location
- Project Location
- - - DE Main Under Construction
- Existing District Energy Main
- Development Applications
- Parks

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Scale: 1:10,000 0 100 M



CONTRACT No.
5519-001-21
District Energy Piping Expansion

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.