

NO: **R084**

COUNCIL DATE: **May 25, 2020**

REGULAR COUNCIL

TO: **Mayor & Council**

DATE: **May 19, 2020**

FROM: **General Manager, Engineering**

FILE: **5519-002/21**

SUBJECT: **Award of Contract No. 1220-020-2020-003
District Energy - Energy Transfer Stations and Interior Piping at 13615 Fraser Highway (PCI)**

RECOMMENDATION

The Engineering Department recommends that Council:

1. Award Contract No. 1220-020-2020-003 to Division 15 Mechanical Ltd. in the amount of \$816,900.00 (including GST) for the construction of District Energy Transfer Stations and Interior Piping at 13615 Fraser Highway (PCI);
2. Set the expenditure authorization limit for Contract No. 1220-020-2020-003 at \$898,590.00 (including GST and contingency); and
3. Authorize the General Manager, Engineering to execute Contract No. 1220-020-2020-003.

SCOPE OF WORK

The construction package related to this Contract consists of the supply, installation and commissioning of mechanical and electrical equipment for four Energy Transfer Stations (“ETS”) and interior piping at the PCI development located at 13615 Fraser Highway. The ETS are located in the customer’s buildings and transfer thermal energy from the Distribution Piping System to the customer’s buildings. The work will be performed at the location listed in the following table, which is also illustrated on the map attached to this report as Appendix “I”:

Map Reference Number	Project No.	Project Description	Location	Development Application No.
1	E-17570	District Energy ETS - PCI	13615 Fraser Highway	7817-0162-00

The Contract work is expected to start in May 2020 and be completed by September 2020.

TENDER RESULTS

Tenders for the subject Contract were opened on April 15, 2020 with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Division 15 Mechanical Ltd.	\$816,900.00	No Change
2. Modern Niagara Vancouver Inc.	\$1,044,508.50	No Change
3. All-Pro Services Ltd.	\$1,061,017.00	\$1,061,016.60
4. Pitt Meadows Plumbing and Mechanical Systems (2001) Ltd.	\$1,139,958.75	\$1,139,956.44

The Engineer's (Kerr Wood Leidal Ltd.) pre-tender estimate was \$1,097,775.00, including GST.

EVALUATION

The City's consultant reviewed the tender submissions 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.

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 by September 2020, as 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 No. 1220-020-2020-003.

SUSTAINABILITY CONSIDERATIONS

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

- Building and Sites SD13: Continue to support low-carbon district energy networks;
- Energy and Climate Do8: Neighbourhood-scale district energy systems provide low-carbon energy in dense urban neighbourhoods; and
- Energy and Climate SD8: Identify areas (residential, commercial, and Industrial) where low-carbon district energy is viable and support development of new systems.

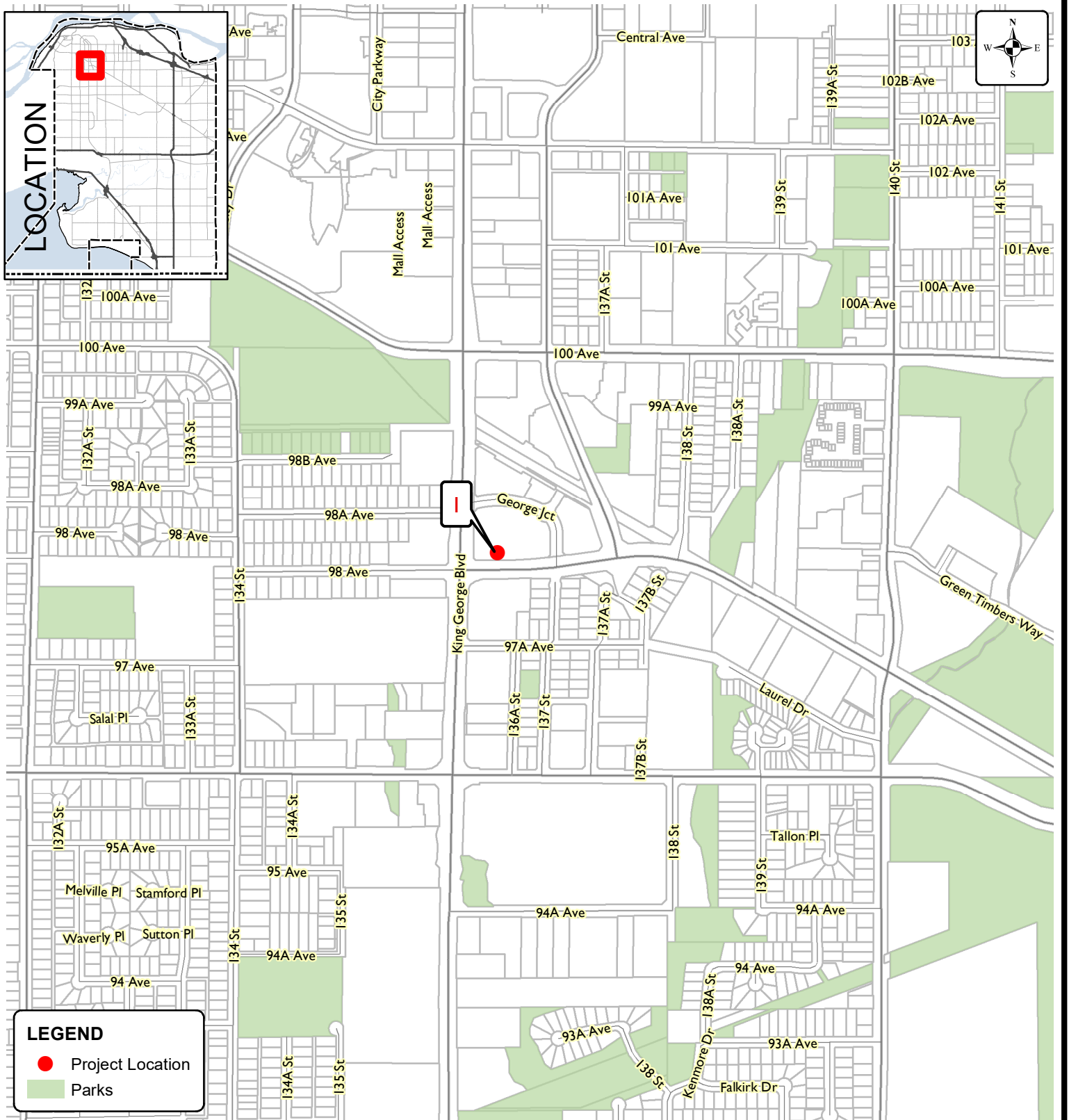
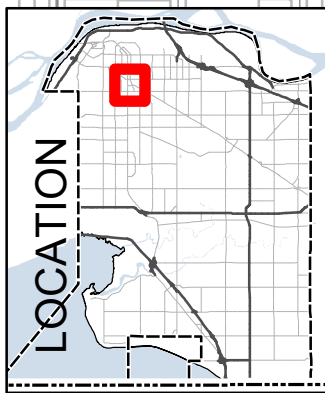
FUNDING

Funding for this Contract is available in the approved 2020 District Energy Budget.

Scott Neuman, P.Eng.
General Manager, Engineering

VJ/NC/cc

Appendix "I" – Map of Locations – Contract No. 1220-020-2020-003



Produced by GIS Section: 27-Apr-2020, P205934

Scale: 1:10,000 0 100 M



CONTRACT No. 1220-020-2020-003 District Energy System Energy Transfer Stations (ETS) and Interior Piping Construction at PCI

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.