

REGULAR COUNCIL

TO: Mayor & Council **DATE: October 8, 2021**

FROM: General Manager, Engineering **FILE: 5519-002/31**

SUBJECT: Award of Contract No. 1220-020-2021-003
District Energy – Energy Transfer Stations Construction

RECOMMENDATIONS

The Engineering Department recommends that Council:

1. Award Contract No. 1220-020-2021-003 to Division 15 Mechanical Ltd. in the amount of \$1,155,000.00 (including GST), for District Energy – Energy Transfer Stations Construction;
2. Set the expenditure authorization limit for Contract No. 1220-020-2021-003 at \$1,270,500.00, (including GST and contingency); and
3. Authorize the General Manager, Engineering to execute Contract No. 1220-020-2021-003.

SCOPE OF WORK

The construction package related to this Contract consists of the supply, installation and commissioning of mechanical and electrical equipment for five energy transfer stations (“ETS”) which are located in customer buildings and transfer thermal energy from the distribution piping system to the customer buildings. 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-17572	District Energy ETS – Anthem Georgetown	13685 – 102 Ave
2	E-17578	District Energy ETS – One Central West Village	13350 Central Ave
3	E-17579	District Energy ETS – Legion Veterans Village	13525 – 106 Ave
4	E- 17575	District Energy ETS – Holland Townline	10158 – 133 St
5	E-17574	District Energy ETS - Centra	13852 – 101 Ave

The contract work is expected to start in November 2021 and be completed by November 2022.

TENDER RESULTS

Tenders for the subject contract were opened on September 23, 2021, with the following results:

<i>Contractor</i>	<i>Tendered Amount with GST</i>	<i>Corrected Amount</i>
1. Division 15 Mechanical Ltd.	\$1,155,000.00	No Change
2. Modern Niagara Vancouver Inc.	\$1,203,926.80	\$1,197,625.80
3. All-Pro Services Ltd.	\$1,269,689.00	\$1,269,698.85
4. Trittech Group Ltd.	\$1,649,495.40	\$1,570,948.00

The Engineer's (Kerr Wood Leidal) pre-tender estimate was \$1,131,600.00, including GST.

EVALUATION

The City reviewed the tender submissions for accuracy and completeness. The City received five tenders for this project; however, one tender was found to be non-compliant, and as such was rejected. Of the remaining submissions, there were arithmetic errors with three of the tenders 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 Surrey for a Performance Bond and a Labour & Materials Bond and agreed to complete the work by November 2022. 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. 1220-020-2021-003.

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's Sustainability Charter 2.0 themes of Built Environment and Neighbourhoods and Infrastructure. Specially, 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

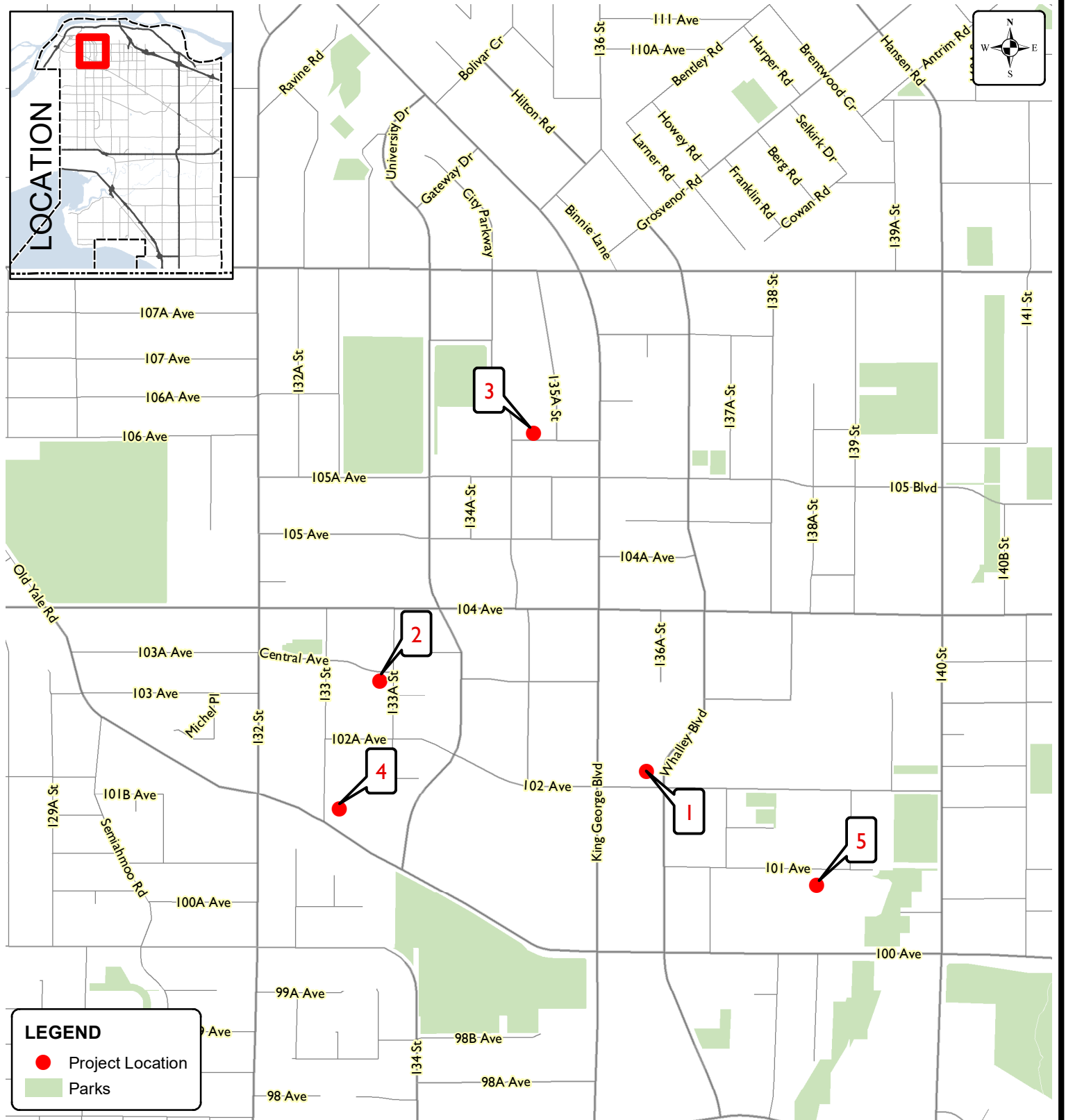
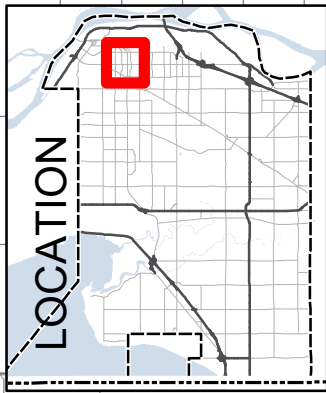
\$837,000 in funding is available from the approved 2021 District Energy budget and the remaining will be made available from the 2022 District Energy budget.

Scott Neuman, P.Eng.
General Manager, Engineering

VJ/NC/jhs

Appendix I – Map of Locations – Contract No. 1220-020-2021-003

https://surreybc.sharepoint.com/sites/eng.administration/wp_docs/2021/admin/cr/final_crs/october_18/award_of_contract_no._1220-020-2021-003_energy_transfer_stations_construction.docx
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CONTRACT No. 1220-020-2021-003 District Energy System - Energy Transfer Station Construction

ENGINEERING DEPARTMENT