



CORPORATION OF THE TOWNSHIP OF ESQUIMALT

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REQUEST FOR DECISION

DATE: April 4, 2018 Report No. P&R-18-005
TO: Laurie Hurst, Chief Administrative Officer
FROM: Scott Hartman, Director of Parks and Recreation Services
SUBJECT:
Contract Award - Archie Browning Sports Centre Refrigeration Equipment Replacement

RECOMMENDATION:

That Council:

1. award the contract for the Sports Centre Refrigeration Equipment Replacement project to Fraser Valley Refrigeration Ltd;
2. approve an additional \$133,928 from the Capital Project Reserve Fund for the completion of the project; and
3. defer the Memorial Park washroom project for consideration in the 2019 Financial Plan.

RELEVANT POLICY:

Financial Plan Bylaw
Financial Plan 2018-2022
Bylaw No. 2845 - A Bylaw to delegate authority for Purchasing and Disposal

STRATEGIC RELEVANCE:

Council's Operational Strategies 2015-2019 identifies the repair, replacement and upgrades of parks and recreation infrastructure as a strategic priority.

BACKGROUND:

The refrigeration system at the Archie Browning Sports Centre is scheduled for replacement. The intent of this project is to replace the aged chiller and brine equipment with a new system that offers greater reliability, less ammonia storage, energy efficiency and lower operational costs. The new system needs to be operational before the refrigeration plant start up date of July 30th for the arena and September 7th for the curling rink.

Council granted early budget approval of \$350,000 on February 5th, 2018 for the replacement of the refrigeration equipment at the Sports Centre. The Township recently conducted a Tender process whereby all three bids received were in excess of the original estimates of the project budget. As a result, additional funds of \$133,928 are required to complete the scope of work.

ISSUES:

1. Rationale for Selected Option

Council granted early budget approval of \$350,000 for the replacement of the refrigeration equipment at the Sports Centre. Staff engaged the services of Rocky Point Engineering to design and commission the installation of the new plant equipment. These costs were included in the initial budget request.

A Tender procurement process was recently conducted for the supply and installation of the equipment. Three bids were received:

	Bid Cost
Accent Refrigeration Systems Ltd	\$456,900
Cimco Refrigeration	\$499,900
Fraser Valley Refrigeration Ltd	\$420,428

The submitted bids exceed the original project budget. In order to complete the work required, an additional \$133,928 would be needed. The revised project budget is as follows:

Rocky Point Engineering Contract (design & commissioning)	\$42,500
Refrigeration Plant Contract (deconstruction, supply & installation)	\$420,428
Project Contingency	\$21,000

Total revised project budget is \$483,928.

Based on the evaluation criteria identified in the Tender documents, staff recommend that the contract be awarded to Fraser Valley Refrigeration Ltd.

2. Organizational Implications

This project has been incorporated into existing staff work plans.

3. Financial Implications

This project was identified in the Five Year Financial Plan for replacement in 2018. The anticipated

cost for this project (including design, supply, installation and commissioning) is now \$483,928 and the total amount of funding would be allocated from the Capital Project Reserve Fund.

Currently \$150,000 is assigned in the proposed 2018 Capital Budget for the construction of a washroom at Memorial Park. In order to minimize the impact to the current 2018 Financial Plan, Council could defer this project for consideration in the 2019 Financial Plan and re-assign these funds to the refrigeration equipment replacement project.

4. Sustainability & Environmental Implications

This new system would reduce the amount of ammonia needed in the plant from 1670 pounds to 600 pounds. In addition, the brine and electrical systems will be upgraded to maximize efficiency and assist with further energy savings.

5. Communication & Engagement

Replacement of this equipment will occur over the summer and will have minimal impact on facility user groups. Staff will coordinate any project communication as needed.

ALTERNATIVES:

1. That Council:
 1. award the contract for the Sports Centre Refrigeration Equipment Replacement project to Fraser Valley Refrigeration Ltd;
 2. approve an additional \$133,928 from the Capital Project Reserve Fund for the completion of the project; and
 3. defer the Memorial Park washroom project for consideration in the 2019 Financial Plan.
2. That Council not award the contract and provide alternative direction to staff.