

The Corporation of the City of Kawartha Lakes
Council Report

Report Number PUR2018-025

Date: May 22, 2018
Time: 2:00 p.m.
Place: Council Chambers

Ward Community Identifier: Various

Title: Proposal 2018-55-CP Arena Equipment Repairs and Replacements

Author and Title: Ashley Wykes, Buyer
Rod Porter, Supervisor Capital and Special Projects

Recommendation(s):

That Report PUR2018-025 Proposal 2018-55-CP Arena Equipment Repairs and Replacements be received;

That Cimco Refrigeration a Division of Toromont Industries Ltd., of Toronto, be selected for the award of proposal 2018-55-CP Arena Equipment Repairs and Replacement for the proposal cost \$593,998.00 not including HST;

That the option to renew the contract for two (2) additional, one (1) year terms be awarded based on budget and performance;

That subject to receipt of the required documents, the Mayor and City Clerk be authorized to execute the agreement to award proposal 2018-55-CP; and

That the Financial Services Division be authorized to issue a purchase order.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

The City has multiple arena facilities, the majority of which were built between 1974 and 1978. Due to the age of the infrastructure and the previous lack of investment, considerable capital improvements are required in order to keep the buildings operational. Staff identified multiple projects in the 2018 capital budget as priorities for equipment repair and replacement and feel that the replacement of this equipment will have a positive impact on the operational efficiency, including the building's energy consumption. In some cases, it has been suggested that the older units currently providing the dehumidification service can be replaced by one unit based on improvements in technology.

As the arena equipment ages and reaches the end of its useful life so does the structural infrastructure supporting the equipment. Furthermore, over the last 40 years health and safety requirements have changed and/or increased with regards to working at heights, safety platforms, railings, guards and ladders. With these changes in mind a plan has been put in place to improve/replace this infrastructure under a separate procurement process, funded from the same capital budget program.

The objective during the procurement process was to secure a vendor that specializes in arena equipment maintenance and capital repairs/replacements. The vendor is tasked with completing capital arena repairs and equipment replacements at nine (9) of the City's arena facilities. The successful contractor must have the capability of completing repairs and equipment replacement at multiple facilities simultaneously as the majority of the repairs need to be completed during the off season (April 1st to September 1st) and be complete prior to September facility rentals and plant startup. As scheduling was a challenge and assuring the work was completed in a safe and timely fashion, as well as limiting the number of contractors on site at one time in a facility all the projects were combined into one procurement process.

Request for Proposal 2018-55-CP was released according to the Purchasing Policy and closed May 10, 2018. It was opened in public by Andy Letham, Mayor and Launa Lewis, Supervisor of Financial Services.

Cimco Refrigeration, a Division of Toromont Industries Ltd. was the only company to submit a proposal.

The proposal was evaluated with no issues identified.

Rationale:

Cimco Refrigeration has worked closely with the City for many years. The partnership has grown as Cimco has a qualified and experienced group of refrigeration and arena maintenance technicians while supported by a professional technical sales team and administration staff. Cimco continues to work with the City to introduce more cost and energy effective solutions for the City's arena infrastructure. As a value added feature Cimco researches and applies for all applicable rebate grants including but not limited to save on energy grants. The grant process is completed on the City's behalf and Cimco has the administrative support to manage the process. The City and Cimco are in the process of compiling a long term maintenance and capital replacement plan with a goal to extend the life of the current equipment while planning, budgeting and prioritizing for the equipment's capital replacement.

It is recommended that Cimco Refrigeration a Division of Toromont Industries Ltd., of Toronto, be selected for the award of proposal 2018-55-CP Arena Equipment Repairs and Replacement for the proposal cost \$593,998.00 not including HST

Other Alternatives Considered:

No other alternative is being considered as the highest scoring proponent is being recommended through an open, fair and transparent process.

Financial/Operation Impacts:

Funding for this project was approved in the 2018 Capital budget.

| Capital Project Number | Project Budget | Other Committed Funds | Capital Project balance | Purchase Amount (excl. HST) | 10% Contingency | HST Payable | Total Amount | Project Balance |
|-----------------------------------------|------------------|-----------------------|-------------------------|-----------------------------|-----------------|-------------|------------------|------------------|
| 950180501 LRC Brine & Pumps | \$90,000 | \$0 | \$90,000 | \$79,998 | \$7,999 | \$0 | \$87,998 | \$2,001 |
| 950180510 Omeme Brine Header | \$35,000 | \$0 | \$35,000 | \$62,000 | \$6,200 | \$0 | \$68,200 | (\$33,200) |
| 950180508 Oakwood Electrical | \$20,000 | \$0 | \$20,000 | \$40,000 | \$4,000 | \$0 | \$44,000 | (\$24,000) |
| 950180509 LB Electrical & LB Chiller | \$60,000 | \$0 | \$60,000 | \$185,000 | \$18,500 | \$0 | \$203,500 | (\$143,500) |
| 950180512 LB Desiccant | \$45,000 | \$0 | \$45,000 | \$41,000 | \$4,100 | \$0 | \$45,100 | (\$100) |
| 950180513 Oakwood Desiccant | \$90,000 | \$0 | \$90,000 | \$41,000 | \$4,100 | \$0 | \$45,100 | \$44,900 |
| 950180514 Ops Desiccant | \$90,000 | \$1,600 | \$88,400 | \$41,000 | \$4,100 | \$0 | \$45,100 | \$43,300 |
| 950180515 Manvers Desiccant | \$90,000 | \$1,600 | \$88,400 | \$41,000 | \$4,100 | \$0 | \$45,100 | \$43,300 |
| 950180516 Omeme Desiccant | \$90,000 | \$0 | \$90,000 | \$41,000 | \$4,100 | \$0 | \$45,100 | \$44,900 |
| 950180511 Woodville Condenser | \$40,000 | \$0 | \$40,000 | \$22,000 | \$2,200 | \$0 | \$24,200 | \$15,800 |
| Total | \$650,000 | \$3,200 | \$646,800 | \$593,998 | \$59,399 | \$0 | \$653,398 | (\$6,598) |

There is a 10% contingency added to this project in order to cover any unforeseen issues. With the contingency the project is \$6,598 over budget, however without the contingency, the project will be \$52,802 under budget with a total spend of \$593,998 excluding HST. Therefore, at this time, staff are not requesting any additional financing. The expectation is that the contingency will not be used to its full extent, and therefore this project will come in under budget. HST is 100% recoverable on this project.

As part of the request for proposal, vendors were required to submit applications for the desiccant units on the City's behalf for the Ontario Save on Energy incentive grant, through Hydro One. The project has been pre-approved for funding in the amount of \$9,134.75 which will reduce the total expenditure from \$593,998.00 to \$584,863.25 not including HST. The City will be in receipt of the grant funding upon final confirmation that the desiccant unit installations are complete.

As per suggestion by industry professionals, staff are only recommending replacement of one of the desiccant units per facility. Staff will monitor the effectiveness and efficiency of this equipment to ensure proper functionality. If it is determined that one unit cannot handle the load, a future capital project will be requested to replace the second older unit (the second older unit will remain in the facility as a back up to ensure that the dehumidification service is sufficient).

Relationship of Recommendation(s) to the 2016-2019 Strategic Plan:

The replacement and repair of arena equipment relates to the strategic enabler of efficient infrastructure and asset management.

Consultations:

Junior Accountant

Department Head E-Mail: cshanks@kawarthalakes.ca

Department Head: Craig Shanks

Department File: 2018-55-CP