



Committee of the Whole Report

Report Number: BP2024-002

Meeting Date: April 9, 2024

Title: Lindsay City Hall Generator-Request for Additional Funding

Author and Title: Christopher Lyons, Facility Project Delivery Coordinator

Recommendation(s):

That Report BP2024-002, **Lindsay City Hall Generator-Request for Additional Funding**, be received;

That Building and Property be granted approval for a Capital Construction Project in 2024 for the replacement of the existing City Hall diesel emergency backup generator;

That a new capital project be created in 2024 and the additional expenditure of \$465,000.00 be funded from the uncommitted portion of the Capital Contingency Reserve (account 1.32248); and

That the department be authorized to proceed with a design submission to Procurement to obtain a Contractor for the supply and install of the new emergency backup generator, and the issuance of a Purchase Order to the low bid Contractor to facilitate a 2025 install.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

In 2023, Council approved \$40,000 for work to be completed on the City Hall Generator. The initial scope of work was anticipated to be the replacement of the existing diesel tank (which is inside the current 600kW Generac Unit), as the interior diesel tank on an annual inspection failed a pressure test for the exterior portion of the dual lined tank. With the failure of the pressure test and not meeting current CSA standards the unit has been 'red tagged' and can only be filled one more time by suppliers, it currently has an approximate 7/8ths of a tank of diesel fuel remaining.

Building and Property determined an essential course of action would be to employ a consultant to conduct a full review of the existing Generator to establish the budgetary feasibility of the asset in its current state. Electrical Engineers 'Lonergan Engineering' were engaged to provide a report to assist and guide decision making of whether Building and Property should proceed with expenditure of capital funds to repair the existing unit, or if another direction should be considered/pursued based upon their professional findings.

Rationale:

The Lonergan Engineering report dated November 8, 2023, presented three replacement options from its Feasibility review (see Appendix A):

Option 1 suggests replacing the 600kW generator with a smaller 300kW unit, along with necessary upgrades.

Option 2 suggests replacing it with a similar 600kW generator, also with upgrades.

Option 3 suggests only replacing the fuel tank.

Option 1 is preferred due to its optimization for current needs and cost-effectiveness. It ensures sufficient power capacity, allows for future flexibility, and is efficient in terms of fuel consumption, emissions, and overall performance.

Option 2 offers flexibility for future needs but is deemed less efficient due to underloading the generator, potentially reducing its lifespan.

Option 3, while cost-effective initially, may lead to increased long-term costs and risks due to uncertainties regarding the continued operation of the existing generator after disconnection.

Building and Property recommend pursuing Option 1 as it best meets current needs, balances costs, and efficiency considerations, ensuring optimal performance and longevity.

Other Alternatives Considered:

No other alternative is being considered as the reviewed state of the asset with completing just a tank replacement will be the costliest solution for the City. The generator is a vital infrastructure component during emergency power outages to ensure the operation of City Hall and to prevent our IT Department from experiencing potentially catastrophic failures.

Alignment to Strategic Priorities:

This report aligns with the Strategic Priority of Good Government by ensuring effective management of the municipal building portfolio in maintaining municipal assets.

Financial/Operation Impacts:

The initial Generator project 2023 953230103-City Hall Generator Tank Replacement was approved in the capital budget. Due to the feasibility study completed and preferred/recommended Option 1, a new Capital Project will be put forth for replacement of the whole generator and not just the tank. Given the long lead time for generator unit supply, funds are being requested to facilitate the tendering and onboarding of a contractor in preparation of the generator install of the generator in 2025. The additional funding for the purchase of the Genset, in the amount of \$465,000, is required to be used from the uncommitted portion of the Capital Contingency Reserve. A Class D Estimate which was used for pricing comes with a 20% variance which has been factored into the amount requested. A 10% project contingency was also added.

This financing from the Capital Contingency Reserve is to address the immediate commitment needed to advance this project, it is anticipated that the Q4 2023 Capital close, coming forward to Council later in Q2, of other Community Services projects will replenish the Capital Contingency Reserve at the minimum of this requested amount.

Servicing Implications:

There are no servicing implications associated with this report.

Consultations:

Treasurer

Junior Accountant

Buyer

Attachments:



Generator
Replacement Option

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