



September 13, 2016

ACTION REQUIRED

To: The Board of Governors of Exhibition Place

From: Dianne Young, Chief Executive Officer

Subject: **High Voltage Power Distribution System & Substation Feasibility Study for Exhibition Place Request for Proposal – Consultant**

Summary:

This report seeks the Board's approval to enter into an agreement with METSCO Energy Solutions Inc. ("METSCO"), for contract services to provide a High Voltage Power Distribution System and Substation Feasibility Study for Exhibition Place.

A Request for Proposal (RFP) process was issued through the City of Toronto Purchasing and Materials Management Division (PMMD) on July 27, 2016 seeking Proposals from qualified firms to provide a High Voltage System Feasibility Study for Exhibition Place.

Recommendation:

It is recommended that the Board enter into an agreement with METSCO for the provision of Consulting Services to provide a High Voltage Power Distribution System and Substation Feasibility Study at a cost of \$35,450.00 on the terms and conditions outlined in Appendix "A", and other such terms and conditions satisfactory to the CEO and the City Solicitor.

Financial Implications

Approval of the recommendation to proceed with METSCO will have no financial impact on the 2016 or 2017 Operating Budget as the project costs for the consultant to complete the Feasibility Study will be provided by the City Manager's Office.

Decision History:

The Exhibition Place 2014 – 2016 Strategic Plan had a Public Space & Infrastructure Goal to *enhance our public assets through major new builds and/or renovations*, and a strategy to support this goal *we will implement the High Voltage Power Distribution System and Substation Feasibility Study for Exhibition Place, to maintain reliability of Exhibition Place's high voltage power distribution system.*

Issue Background:

Exhibition Place has substantial high voltage electrical assets that provide underground electricity distribution from the Toronto Hydro Strachan transformer station across from the site and also to Ontario Place. These assets are over 50 years old and have reached their end of life (cables, transformers, and substations) and are scheduled for replacement over the next decade at an estimated cost of \$24.0M. Failure of the high voltage lines could result in substantial financial losses to Exhibition Place and their commercial tenants on the grounds.

Since there was no replacement funding for these assets in the Exhibition Place Capital Program, discussions were held with Toronto Hydro Corporation (THC) on the possibility of transferring the assets to THC however, after investigation this was found to not be possible

under the Ontario Energy Board regulations. Accordingly, Exhibition Place is now undertaking a study to develop a plan and costing for the replacement of the high voltage system grounds-wide taking into account the present and future electrical load requirements, as well as the future requirements of Ontario Place.

Comments:

Exhibition Place issued an RFP for a consultant feasibility study to determine the best value solution the high voltage distribution system replacement taking into account the present and future electrical load requirements, as well as the future requirements of Ontario Place.

On July 27, 2016, an RFP was issued through the City of Toronto, Purchasing and Materials Management Division (PMMD) seeking Proposals from qualified firms to undertake a High Voltage Power Distribution System and Substation Feasibility Study for Exhibition Place.

The RFP detailed the Board's requirements to provide professional electrical engineering consulting services to undertake a Feasibility Study of the High Voltage System, the Substations and Commercial Distribution System at Exhibition Place and provide options and estimated costs for the future design and upgrades of those systems.

The RFP closed on August 31, 2016 with 9 submissions received from the following companies:

Moon Matz Ltd. Consulting Engineers
METSCO Energy Solutions Inc.
The SM Group Ontario Inc.
Costello Associates Inc.
M&E Engineering Ltd.
DPM Energy Inc.
M&E Engineering Ltd.
EXP Services Inc.
Primary Power Design Inc.

On September 13, 2016, a Selection Committee scored the submissions in accordance with the RFP evaluation process which considered Proposal Content, Proposed caliber of the Proponent's team, and Work Plan and Deliverables. The evaluation matrix consisted of technical portion and a cost portion based on submission and review, has concluded that METSCO received the overall highest score.

METSCO Energy Solutions Inc. is a Canadian corporation engaged in the business of providing consulting services to electrical generation, transmission and distribution companies, municipalities, as well as major industrial and commercial users of electricity. METSCO holds a Certificate of Authorization from the Professional Engineers of Ontario. They have been in business since 2006. They are a team of 36 full time employees, with dozens of associates and sub-consultants. Their senior engineers and subject matter experts have a combined experience of approximately 200 years in the power sector including asset management, system planning, detailed design, asset replacement plan, testing, and project management. METSCO has performed a range of feasibility studies for distribution systems on behalf of their clients. Their head office is located in Mississauga Ontario.

During the recent years METSCO has successfully completed a number of assignments for clients that include: Toronto Hydro, Hydro Ottawa, PowerStream Inc., Horizon Utilities, Entegrus Powerlines, London Hydro, ENMAX, EPCOR, FortisBC, the City of Medicine Hat Electric and

Gas Utilities in Canada, as well as international experience in the USA, Paraguay, Uzbekistan, Mongolia and East Timor.

Contact:

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Appendix "A"
Substantial Terms and Conditions of Agreement Between
Board of Governors of Exhibition Place ("Board") and
METSCO Energy Solutions Inc. ("Consultant")

- (1) Study/Scope: Provide a High Voltage Power Distribution System and Substation Feasibility Study for Exhibition Place to determine the best overall solution to remedying the issues associated with the aging high voltage distribution system at Exhibition Place, meeting the present and future needs of both Exhibition Place and Ontario Place as well.
- (2) Report: The Study to be completed within Four (4) months after award with the Consultant providing a written report that summarizes all the issues, develop conclusions and offer recommendations to Exhibition Place.
- (3) The Consultant shall supply, provide and perform, with all due and reasonable diligence, professional skill and competence, to the satisfaction of the Board, those professional services required for the Project as more particularly set forth in the Request for Proposal and Addendums (collectively the "RFP").
- (4) The Consultant shall provide, at the Consultant's sole cost and expense, all skilled workers, consultants or subconsultants (including the approved subconsultants), as appropriate, and must be able to provide the necessary materials and supplies required in performing the Services. The Consultant shall designate an individual to act as the Consultant's manager for the Project and main point of contact with respect to the obligations of the Consultant under this Agreement, and to coordinate the work of the Consultant and any permitted sub consultants.
- (5) The Consultant will be required to comply with all federal, provincial and municipal laws and regulations in performing any Services including, without limitation, the Occupational Health and Safety Act and the Workplace Safety and Insurance Act, 1997, or any successor legislation, as applicable, and to provide to the Board, upon request, periodic reports confirming such compliance.
- (6) All plans, designs, models, drawings, details, specifications, reports, design calculations and all other documents and information prepared by the Consultant or its subconsultants pursuant to this Agreement shall be and become the sole and absolute property, including intellectual property rights, of the Board without the payment of any additional compensation whatsoever therefore by the Board to the Consultant, and the same shall be delivered to the Board upon the request of the Board and/or completion of the Services to be performed by the Consultant under this Agreement as may be required by the Project Manager and shall be used by the Board in connection with the Project.
- (7) The Board, at its own cost and expense and upon being requested by the Consultant so to do, will provide such information as is in the opinion of the Board's Project Manager is necessary in connection with the Services. The Consultant shall treat as confidential and proprietary to the Board all information, documentation, models or materials of any kind which are provided by the Board or come to the attention of the Consultant in the course of carrying out the Services and shall not use or disseminate such information or materials for any reason without the express written permission of the Board.
- (8) The Board will pay the Consultant in the amounts and manner and at the times as set out in its Proposal based on each phase.
- (9) The Board will also, subject to the maximum amount as set out above, pay to the Consultant amounts for such of the reimbursable items and services provided by it and incurred in the performance of the Services in accordance with this Agreement, which, in the opinion of the Project Manager are necessary in connection with the Services.
- (10) The Consultant shall submit invoices in such detail as may be required by the Board, and the Board reserves the right to require further proof or documentation from the Consultant in respect of services performed or expenses incurred by the Consultant and the Consultant

- shall provide, without delay, such further proof or documentation. The Board shall endeavour to pay acceptable invoices within ninety (90) days from the receipt of the invoice.
- (11) If the Board does not approve of the Services which are the subject of the invoice, the Board shall advise the Consultant in writing of the reasons for refusing approval and the Consultant shall remedy the problem at no additional cost to the Board before the Board shall be obliged to pay the invoice or any part of it, as the case may be.
 - (12) Upon giving the Consultant not less than thirty (30) days' prior written notice, the Board may, at any time and without cause, cancel the Agreement, in whole or in part. In the event of such cancellation, the Board shall not incur any liability to the Consultant apart from the payment for the goods, material articles, equipment, work or Services that have been satisfactorily delivered or performed by the Consultant up to the date of cancellation.
 - (13) In addition, The Board may, in the event of a failure by the Consultant to perform its obligations under the Agreement, terminate this Agreement upon ten (10) calendar days' written notice to the Consultant, provided that this Agreement shall not be terminated if the Consultant remedies the breach within that time or, if the breach is of a nature not capable of being remedied within ten (10) calendar days, embarks on a diligent and continuous effort to successfully remedy the breach. In the event of such termination, the Board shall not incur any liability to the Consultant apart from the payment for the goods, material, articles, equipment, work or Services that have been Agreement shall be delivered to the Board in a clean and readable format.
 - (14) The Consultant shall, at the Consultant's expense (including payment of deductibles), for the duration of this Agreement, maintain in a form and with an insurer acceptable to the Board, the following policies of insurance: (A) Professional Liability (errors and omissions coverage) for the performance of Services by the Consultant providing that the policy is in the amount of not less than Two Hundred Fifty Thousand Dollars (\$250,000); extend to infringement of copyright and other intellectual property, including misuse of trade secrets; not to be construed as a limit of the liability of the Consultant in the performance by the Consultant of the Services under the Agreement; (B) Comprehensive General Liability, provided that the policy: (i) is in the amount of not less than One Million Dollars (\$1,000,000.00), per occurrence; (ii) adds the Board and the City of Toronto as additional insured; (iii) has provisions for cross-liability as between the Consultant and the Board and the City of Toronto, broad form contractual liability, owner's/contractor's protective liability, contingent employer's liability, employers liability, non-owned automobile liability and personal injury liability; (iv) provides for thirty (30) days' prior written notice of cancellation or material change.
 - (15) The Consultant shall provide at the time of execution of this Agreement evidence of such insurance coverage in the form of an original signed Certificate of Insurance satisfactory to the Board's Chief Financial Officer (the "CFO"); and from time to time, as such coverage expires or is replaced, shall provide original signed Certificates evidencing renewals or replacements thereof satisfactory to the CFO, all of which Certificates may be permanently retained by the Board.
 - (16) Any premiums due on any insurance policy under this paragraph but not paid by the Consultant may be paid directly to the insurer(s) or broker(s) by the Board, which shall be entitled to deduct the amount of same, along with its reasonable costs in so doing, from any monies otherwise due to the Consultant by the Board under this Agreement or otherwise.
 - (17) The Consultant will, from time to time, and at all times hereafter, well and truly save, keep harmless and fully indemnify the Board, its Board members, and the City of Toronto, its Mayor, members of Council, and their respective officers, employees and agents, their successors and assigns from and against all actions, claims and demands whatsoever which may be brought against or made upon the Board of Toronto or the Board, or its designated representatives, their respective officers, employees and agents, or any of them, of, from and against any and all losses, liens, charges, claims, demands, suits, proceedings, recoveries and judgments (including legal fees and costs) which the Board

and the City of Toronto, or its designated representatives, their respective officers, employees and agents, or any of them, may sustain, suffer or be put to resulting from or arising from the Services done by it, or by reason of, or on account of, or resulting from or arising out of the performance or rendering of, or the failure to perform or render, or the failure to exercise reasonable care, skill or diligence in the performance or rendering of any work or service required hereunder to be performed or rendered by the Consultant, its agents, servants, employees or subconsultants or any of them, including the breach of any confidentiality obligation under this Agreement.

- (18) Upon assuming the defence of any action covered under this section the Consultant shall keep the Board reasonably informed of the status of the matter, and the Consultant shall make no admission of liability or fault on the Board's part without the Board's written permission.
- (19) The Consultant shall not be liable to the Board whether the claim be in tort, contract or otherwise, for an amount in excess of the maximum amount of professional fees to be paid by the Board to the Consultant for the Services, provided that this limitation shall not apply to losses, liens, charges, claims, demands, suits, proceedings, recoveries and judgments (including legal fees and costs) due to property damage or personal injury (including death).