



Exhibition Place

**Item No. 12**

**FOR INFORMATION**

August 23, 2013

To: The Board of Governors of Exhibition Place

From: Dianne Young  
Chief Executive Officer

Subject: **Professional Design and Technical Support Services for Exhibition Place District Energy System (RFP #9117-13-7065)**

Summary:

The Board at its meeting of July 5, 2013 approved the recommendation that allowed the delegation to the Chief Executive Officer, in consultation with the Chair of the Board, the authority to award the Request for Proposal (RFP) for Distributed Energy System Engineering and Design on the basis that a number of conditions set out in that report were met. FVB Energy Inc. ("FVB") was the highest scoring Proponent that met the RFP requirements. The Chief Executive Officer is now reporting back to the Board on the details of the contract with FVB.

Financial Impact:

The total project cost of \$4.5 million for the Distributed Energy System was approved by the Board and City Council and the costing for the engineering and design consultant is within this project budget.

Decision History:

The Exhibition Place 2009 - 2012 Strategic Plan had an Environmental Goal to *exemplify and demonstrate environmental stewardship and leadership in all aspects of our businesses and operations* and as a Strategy to support this Goal *we will reduce the impact of our operations/business on all aspects of the environment*.

At its meeting of May 25, 2012, the Board approved the Distributed Energy System at Exhibition Place, which was subsequently approved by City Council at its meeting of July 11, 12, and 13, 2012.

At its meeting of July 5, 2013, the Board delegated authority to the Board Chair and Exhibition Place CEO to enter into an agreement with the preferred proponent of the public RFP issued by the City of Toronto for the Distributed Energy System Engineering and Design project provided the cost is \$0.4M or less.

Issue Background:

In order to meet the timelines required to supply a District Energy System for the hotel, the Board delegated authority to the Board Chair and CEO to proceed, under certain conditions, to contract with the Preferred Proponent, FVB, for the engineering and design component of the Distributed Energy System.

Comments:

On June 27, 2013, the City of Toronto issued a Request for Proposal (RFP #9117-13-7065) to select a qualified proponent for professional design and technical services for Exhibition Place's Distributed Energy System. The RFP closed on July 24, 2013 and seven (7) were received. An evaluation panel was formed made up a representatives of both Exhibition Place the City Environmental Energy Office. In order for a proponent to be considered for Cost consideration, it had to achieve a minimal acceptable level of technical requirements of the RFP which included past experience at providing full engineering and design for distributed energy systems. Three proponents were then shortlisted and evaluated in the Cost evaluation process. Below are the final scores of the three shortlisted proposals:

Proposal	Average Score	Price
FVB Energy Inc	89	342,000
GENIVAR Inc	82	243,000
Hidi Rae Consulting Engineers Inc.	79	318,000

The City of Toronto Purchasing and Materials Management Division, Manager of Professional Services notified FVB Energy Services Inc. that their firm's proposal was the highest scoring, as determined by City staff through the evaluation analysis the cost of \$342,000 was within the budget envelop of \$400,000. Accordingly, notification was made by City Purchasing to FVB on August 9, 2013.

The scope of the project includes the Energy Transfer Stations in the Hotel basement, the hot and cold supply and return lines from the district energy plant in the Direct Energy Centre to the basement of the Hotel, the new high efficiency chiller, connection to the Heat Sources and Chilled Water Sources in the Direct Energy Centre, any process piping alterations required, a new emergency generator, electrical and control alterations as required.

FVB Energy Inc. is one of the most prominent and established firms in North America in the field of district energy. It has consulted internationally for over 40 years and has been involved in 85% of new district energy systems in North America over the past two decades. Over the past year, FVB has supported construction, provided engineering design, supported operations or expansion or conducted feasibility studies for 21 systems across Canada. They have a staff of 33 professional staff working from offices in Vaughan, Edmonton and Vancouver. In the past, the City of Toronto has contracted directly with FVB and have had a positive working relationship. Other major district energy utility clients include Markham District Energy, Regent Park Energy, Hamilton Community Energy, Sudbury District Energy, District Energy Windsor, ENMAX (Calgary) and the Southeast False Creek Neighbourhood Energy Utility (Vancouver).

The substantial terms and conditions of the FVB agreement (subject to negotiations and changes as required by the City Solicitor, the City of Toronto EEO office and the CEO of Exhibition Place, are as follows:

- a) Parties: City of Toronto, Board of Governors of Exhibition Place and FVB;
- b) Services: The scope of FVB services include the development of the detailed design and construction documents, provide capital cost estimates and follow through with construction supervision until the system is in operation. This includes the following deliverables:
  - o 30, 60 & 90% stage design drawings & specifications

- Building Permit issues drawings and specifications
  - Tender issue drawings and specifications
  - Construction drawings
  - Construction support, including construction kick off meeting, site inspection and reports, construction meetings (agendas and minutes), shop drawing submittal reviews, constructions supplemental instructions
  - Review and submission of contractor's Operations and Maintenance Manuals
  - As built drawings based on contractor's red line mark ups
  - Commissioning assistance
- c) Cost: The contact price has an upset limit of \$342,000 in accordance to the detailed payment schedule agreed to by the parties;
- d) Copyright: The City and the Board shall own the copyright in all final written material originated and prepared for the City and/or the Board under this Agreement and FVB waives in whole and in part any and all moral rights arising under the *Copyright Act* in the material.
- e) Indemnities: FVB shall indemnify and save harmless the City, its Mayor, Members of Council, officers, employees and agents and The Board of Governors of Exhibition Place, its members, officers, employees and agents from and against any losses, liens, charges, claims, demands, suits, proceedings, recoveries and judgments (including legal fees and costs) arising from or related to FVB's material breach of its obligations, including payment obligations to its approved subcontractors and suppliers and others, and including breach of any confidentiality obligations under this Agreement;
- f) No Assignment: FVB shall not assign any part of the Services without the prior written consent of the City and the Board, which consent shall not be unreasonably withheld. However, such written consent shall not under any circumstances relieve the FVB of its liabilities and obligations under this Agreement;
- g) Insurance: FVB shall be required to purchase and maintain in force, at its own expense (including the payment of all deductibles) and for the duration of this Agreement, the following policies of insurance, which policies shall be in a form and with an insurer acceptable to the City and the Board. A certificate of these policies originally signed by the insurer or an authorized agent of the insurer must be delivered to the City prior to the commencement of Services:
- (A) Professional Liability (errors and omissions coverage) for the performance of Services by FVB providing that the policy is:
    - (i) in the amount of not less than One Million Dollars (\$1,000,000);
    - (ii) extend to infringement of copyright and other intellectual property, including misuse of trade secrets;
    - (iii) not to be construed as a limit of the liability of FVB in the performance by FVB of the Services under this Agreement;
    - (iv) notwithstanding anything to the contrary contained in this Agreement, kept in full force and effect for a period of time ending no sooner than TWO YEARS after the termination or expiry of this Agreement, as the case may be.
  - (B) Comprehensive General Liability, provided that the policy:
    - (i) is in the amount of not less than Two Million Dollars (\$2,000,000.00), per occurrence;
    - (ii) adds the City of Toronto and The Board of Governors of Exhibition Place as additional insured;
    - (iii) has provisions for cross-liability **and severability of interest** as between FVB, the City of Toronto and The Board of Governors of Exhibition Place broad form contractual liability, owner's/contractor's protective liability, contingent employer's liability, employers liability, products and completed operations liability; non owned automobile liability and personal injury liability;

(iv) provides for FVB to endeavour to provide thirty (30) days' prior written notice of cancellation or material change.

At the expiry date of the policy, FVB shall provide original signed Certificates evidencing renewals or replacements to the City and the Board prior to the expiration date of the original policies, without notice or request by the City or the Board.

- i) Termination Without Cause: Upon giving FVB not less than 30 days' prior written notice, either the City or the Board may, at any time and without cause, cancel this Agreement, in whole or in part. In the event of such cancellation, neither the City nor the Board shall not incur any liability to FVB apart from the payment for the goods, material, articles, equipment, work or services that have been satisfactorily delivered or performed by FVB at the time of cancellation.

Contact:

Mark Goss, GM, Operations  
Telephone: 416 263-3660  
Fax: 416 263-3690  
E-mail [mgoss@explace.on.ca](mailto:mgoss@explace.on.ca)

Submitted by:

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Dianne Young  
Chief Executive Office