

Item No. 11



Exhibition Place

ACTION REQUIRED

June 19, 2013

To: Board of Governors of Exhibition Place
From: Dianne Young, Chief Executive Officer
Subject: **Distributed Energy System at Exhibition Place**

Summary:

This report is being submitted to provide information on the Distributed Energy System at Exhibition Place which will provide district energy from DEC to the new Princess Gates Hotel. It is also seeking approval of the expedited process by the Board with respect to the Distributed Energy System Engineering and Design RFP that will be issued through the City of Toronto Purchasing Department which will close on July 19, 2013.

Recommendations:

It is recommended that the Board delegate to the Chief Executive Officer, in consultation with the Chair of the Board, or his designate, the authority to award the RFP for Distributed Energy System Engineering and Design RFP on the following basis:

- a) **Subject to clause (b) below, the award shall be made strictly in accordance with the Board's and City of Toronto's RFP process to the preferred proponent;**
- b) **The contract price shall be within the approved budget for this project as approved under the Distributed Energy System at Exhibition Place; and**
- c) **The Chief Executive Officer shall report back to the Board on the details of the District Energy System at Exhibition Place Engineering and Design contract awarded.**

Financial Impact:

The total project cost of \$4.5M for the District Energy System was approved by Council to implement a distributed energy system at Exhibition Place. The full investment will be recovered from a combination of electricity cost savings at Exhibition Place and the generation and sale of energy to Princes Gates Hotel LP. The budgeted cost portion of the Engineering and Design scope is \$0.4M.

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 recommendations were subsequently approved by City Council at its meeting of July 11, 12, and 13, 2012.

Issue Background:

The development of a distributed energy system at Exhibition Place has the potential of resulting in significant financial benefits to Exhibition Place and the City and also significant greenhouse gas reductions. Given the timeframes set for the hotel project and the estimated timeframe to construct the Distributed Energy System of 12 months, it is essential to engage the design consultant as soon as possible so that the tender for the constructor can be finalized and approved by the Board so that construction of the system can commence by January 2014. For this reason, Exhibition Place staff are recommending this expedited process.

Comments:

The tight timelines set out in the legal agreement and the integration with Direct Energy Centre contracted show schedule will be a challenge. Exhibition Place and City staff will work diligently to execute the installation of the District Energy System to meet the needs of both Exhibition Place and our contracted customers. The tight time line issue is associated with the construction and laying of the pipes across Princes' Blvd. which will require the street to be closed and the best timing for this so as not to effect the show schedule is May 2014 when there will be minimal disruption. The proposed schedule for the tendering of this work is as follows:

Date	Action
June 27, 2013	Tender for Design Consultant issued by City of Toronto Purchasing
July 19, 2013	Closing for Design Consultant Tender
August 02, 2013	Award of Design Consultant Tender
December 06, 2013	Design of District Energy System completed
January 06, 2014	Tender for District Energy System constructor issued by City of Toronto Purchasing
February 03, 2014	Closing of Constructor Tender
March 03, 2014	Award of Constructor Tender by Board
April 28, 2014	Construction commences

Contact:

Mark Goss, GM, Operations
 Telephone: 416 263-3660
 Fax: 416 263-3690
 E-mail: mgross@explace.on.ca

Submitted by:

Dianne Young
 Chief Executive Officer