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EXHIBITION PLACE

June 10, 2008

To: The Board of Governors of Exhibition Place

ACTION REQUIRED

From: Dianne Young, Chief Executive Officer

Subject: **COLISEUM COMPLEX – Tender Report
Steam Boiler Replacement for the Coliseum Complex
and the General Services Building
Contract No. 08-0077-87711**

Summary:

The steam boiler system for the Coliseum Complex and the General Services Building are both around 30 years old - well passed their typical useful life expectancy and no longer energy efficient. Partial funding for the replacement of these two boiler systems was included in the 2008 State-of-Good Repair Capital budget. In addition, because of the major energy savings that will be achieved with the replacement of these boilers, funding in the amount of \$955,000 was received from the City's Energy Retrofit Program. Finally, the total project will also involve the replacement of lighting fixtures in the General Services Building with energy efficient lights which part of the project is just in its designed stage.

The tender for the boiler replacements was issued on May 12, 2008 to the contractors pre-qualified in April. Five bids were received and this report recommends the award of a tender to replace the boilers at the Coliseum Complex and the General Services Building to Bird Mechanical Ltd. being the lowest qualified bidder.

Recommendations:

It is recommended that the Board award Contract No. 08-0077-87711 to Bird Mechanical Ltd. of Gormley, Ontario for the replacement of the boilers at the Coliseum Complex and the General Services Building in the amount of \$1,130,000.00, excluding GST; this being the lowest tender received.

Financial Impact:

The financing for this project is included within the approved Exhibition Place 2008 Capital Works Program under the project names Coliseum Complex and Green Energy Initiatives.

Decision History:

At its meeting of July 2007, the Board approved the 2008 Capital Works Program which was subsequently approved by City Council at its meeting of December 10, 11, 12, 13 & 14, 2007.

THE BOARD OF GOVERNORS OF EXHIBITION PLACE



In addition, part of the budget for this project is in the form of a loan from the City's Energy Efficiency Office in the amount of \$955,000, which funding is to be committed/spent within the 2008 fiscal year.

Issue Background:

The steam boiler system for the Coliseum Complex is made up of three 300 horse power steam boilers that are well over 30 years old. They have passed their typical useful life expectancy and are no longer energy efficient. In fact, one boiler was removed in 2001 and has been used as spare parts for the other two boilers and in 2007, a second one was removed for the same reason. Combustion tests prior to its removal found its efficiency was down to about 60%, instead of the new steam efficient boiler of 84 %. The existing 100 horse power boiler for the General Services Building was also installed around 1975 and has passed its typical useful life expectancy. Replacement of all these boilers and their supporting equipment are required to provide a high energy efficient system with better control and plant reliability.

Comments:

The tender of this contract was issued on May 12, 2008 to the contractors pre-qualified in April and on June 5, 2008, Fatima Scagnol, Corporate Secretary of the Board, supervised the tender opening. Eight (8) contractors were pre-qualified out of 15 applications and five (5) tenders were received. Their submissions, excluding GST, are as shown in the following table.

Tenderer	Submitted Base Price	Recommended Contract Price
Bird Mechanical Ltd.	\$1,130,000.00	\$1,130,000.00
* University Plumbing & Heating Ltd.	\$1,425,000.00	
** Geo. A. Kelson Company Ltd.	\$1,550,000.00	
Comstock Canada Ltd.	\$1,587,442.00	
Nekison Engineering & Contractors Ltd.	\$3,035,000.00	
* Informal – Bid Bond not signed by contractor only its guarantor		
** Informal – No breakdown of prices for Appendices II and III as stipulated in the tender document		

The budget for this work (construction costs, engineering fees, and project management and administrative costs) under the combined funding of Coliseum Complex (No. 0077) and Green Energy Initiatives (No. 0090) is \$1,455,000. Contained in this figure is \$1,235,000 for the boiler replacement for these two buildings. Excluding from this budget, \$100,000 is reserved for lighting retrofit at the General Services Building, which is now in the design phase. The submission of the low tender by Bird Mechanical Ltd. at \$1,130,000, which includes \$55,000 for contingency, is therefore within budget.

Included in the scope of work for both buildings are the following:

- A) General Services Building – Two (2) 25 horse power gas-fired steam boilers (50% reduction in capacity and energy saving), and its supporting equipment such as condensate return system, blow-down separate tank, plumbing and drainage system, chemical treatment system complete with water softener, ventilation to comply with existing code, and boiler plant control system and accessories.
- B) Coliseum Complex – Three (3) 200 horse power gas-fired steam boilers (33% reduction in capacity and energy saving) and its supporting equipment same as the General Services Building.

Established in 1971, Bird Mechanical Ltd. is a unionized mechanical contractor. Its submitted pre-qualification documents revealed that this firm is well-experienced in this type of work and had completed more than \$10 million value of work each year for the last three years. The Board consultant, M & E Engineering, has worked with this contractor on previous projects and confirmed that Bird Mechanical is well-organized with good workmanship and had delivered its projects on schedule.

This recommendation is contingent upon approval by the Office of the Deputy City Manager and CFO of the Surety Company proposed by the successful bidder for the supply of the bonding requirements and is also subject to the Fair Wage Office confirming that the recommended contractor and its subcontractors maintain wage rates and working conditions in accordance with Toronto Workers' Rights requirements.

Contact

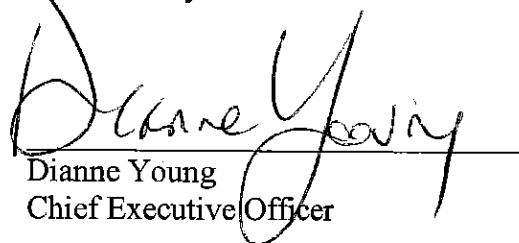
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Submitted by:


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