

EXHIBITION PLACE

April 3, 2006

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **NATIONAL TRADE CENTRE**
Lighting Retrofit
Contract No. 05-0071-57136

Purpose:

This report recommends the award of a tender relating to the lighting retrofit at the National Trade Centre

Financial Implications and Impact Statement:

The financing for this project is included within the 2005 Capital Budget approved by the Board.

Recommendations:

It is recommended that the Board award Contract No. 05-0071-57136 to Direct Energy Service of Mississauga, Ontario in the amount of \$537,658.55, this being the lowest tender received.

Background:

The Board approved a budget of \$800,000 in 2005 for the lighting retrofit at the National Trade Centre subject to the approval of the Energy Retrofit Program of the City of a low-interest loan in the same amount. The approved budget is above and beyond the regular 2006 Capital Works program of \$5,325,000. In September 2005, the City Council formally approved this capital project authorizing funding up to \$800,000 from the City energy retrofit fund.

Discussion:

Staff at the National Trade Centre have had an on-going concern with the performance and efficiency of the lighting system. The sound rated ballast for the lamps is no longer being manufactured, which has caused a major maintenance problem. Improved energy efficiency can be obtained through the installation of new fixtures and new lamps with high efficiency electronic (magnetic pulse start) ballasts.

The main halls are currently using metal halide high intensity discharge fixtures with lamp wattage of 1000 and 400. It has been determined that adequate lighting can be obtained using the new efficient fixture and ballast for the main halls with a much lower wattage lamp. A test section was set up at Hall D with 12 new lighting fixtures and ballasts with reduced wattage. The performance is more than satisfactory to the NTC operations staff. The new ballasts are extremely quiet and the new lighting level of 400W is higher than the existing 1000W. Therefore, it is proposed that all the lighting fixtures be replaced with new lower wattage lamps with electronic ballasts. The scope of work included is as follows:

Location	Description	Existing Fixtures	New Fixtures
Hall A, B, C, & D	Replace Fixture & Ballast and Reduce 1000W to 400W	652	652
Galleria	Replace Fixture & Ballast and Reduce 400W to 360W	78	78
	Replace Ballasts and Reduce 250W to 150W	155	155
	Replace Ballast and Reduce 175W to 100W	252	252
Loading Dock	Replace Fixture & Ballast in 2 to 1 Ratio	78	39
	Total Replacement	1215	1176

Based on a 60 percent occupancy load, it is estimated that with this retrofit program, National Trade Centre electrical demand will be reduced by approximately 2,439,000 kWh per year, which represents approximately \$250,000 annual savings and CO2 emission reduction of 724,000 kg per year.

The tender for this contract was issued on March 10, 2006 and on March 30, 2006, Fatima Scagnol, Corporate Secretary, supervised the tender opening of this capital project. Three (3) tenders were received and their price submissions, excluding GST, are as follows:

<u>Tenderer</u>	<u>Submitted Tender Price</u>	<u>Recommended Contract Amt.</u>
Direct Energy Business Services	537,658.55	537,658.55
B&B Electric	655,726.86	
Energy Network Services	686,081.33	

The budget for this work (construction costs, engineering fees, project management and administration costs) under the main project of National Trade Centre No. #0071 is \$800,000. Contained in this figure is \$720,000 for construction. The submission by the low tender Direct Energy Business Services at \$537,658.55, which includes \$35,000 contingency, is therefore within budget.

The recommended bidder, Direct Energy Business Service (DEBS) is a division of Direct Energy Marketing Limited and a "services brand" of Direct Energy – a subsidiary of "Centrica plc".

Centrica was created following the demerger of British Gas plc in 1997 and is now a leading provider of energy and essential services in the UK and North America. Across Canada and in selected U.S. states, Direct Energy provides integrated energy and building technology solutions as well as Heating, Ventilating and Air Conditioning services to over 25,000 commercial businesses through the Direct Energy Business Services Brand. DEBS contract capability is up to \$50 million annually, with sales (for the most current year available) of \$2.7 billion (Includes Direct Energy Marketing).

This recommendation is contingent upon the approval of the Toronto Commissioner of Finance and Treasurer for the Surety Company which will supply the bonding requirements and the Fair Wage Office to confirm that the recommended contractor and its subcontractors maintain wage rates and working conditions in accordance with Toronto Workers' Rights requirements. The Treasurer has previously certified, at the time of project approval, that financing can be provided under the updated Debt and Financial Obligation Limit and that it falls within corporate debt guidelines.

Conclusion:

This report recommends that the Board award Contract No. 05-0071-57136 to Direct Energy Business Services in the amount of \$537,658.55 for the lighting retrofit at the National Trade Centre.

Contact:

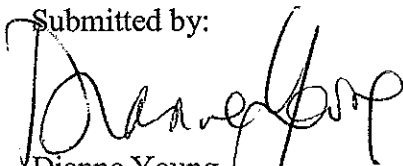
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Submitted by:



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