

**AGENDA
DISTRICT OF PORT HARDY
SPECIAL MEETING OF COUNCIL
12:00 pm February 15, 2019
COUNCIL CHAMBERS - 7360 COLUMBIA STREET**



We respectfully acknowledge that this meeting is being held on the traditional territory of the Kwakiutl People, Gilakas'la

Mayor: Dennis Dugas
 Councillors: Pat Corbett-Labatt, Janet Dorward, Fred Robertson, Treena Smith, John Tidbury and Leightan Wishart

Staff: Allison McCarrick, CAO; Heather Nelson-Smith, Director of Corporate Services; Lynda Sowerby, Director of Financial Services; Abbas Farahbakhsh, Director of Operations

| Page | A. CALL TO ORDER | Time: | |
|------|--|-------|-------|
| | B. APPROVAL OF AGENDA AS PRESENTED (or amended) | | |
| | Motion required | 1. | 2. |
| | C. STAFF REPORT | | |
| 1-2 | 1. Allison McCarrick, CAO re: Chiller Replacement | | |
| | Motion required. | 1. | 2. |
| | D. ADJOURNMENT | | |
| | Motion required | 1. | 2. |
| | | | Time: |



DISTRICT OF PORT HARDY

STAFF REPORT



DATE: February 15, 2019
TO: Mayor and Councillors
FROM: Allison McCarrick, Chief Administrative Officer
RE: **Chiller Replacement**

PURPOSE

To discuss post tender bids received and to provide staff with direction for chiller replacement.

BACKGROUND

The District placed an Expression of Interest (EOI) for a chiller replacement in the local paper, Civic Info and BC Bid on December 12th, with a closing date of January 10th. The District received three confirmations from refrigeration companies expressing interest in bidding on the project; DevCon Industrial Services, CIMCO Refrigeration, and Fraser Valley Refrigeration. The three companies were sent the chiller tender package which included the specifications required for the project. The companies were given until February 8th to submit a bid. Two bids were received as follows:

- | | | |
|-----------------------|-----------------|-----------|
| • CIMCO Refrigeration | Chiller package | \$389,500 |
| | Oil separators | \$24,000 |
| • DevCon Industrial | Chiller package | \$295,750 |
| | Oil separators | \$33,950 |

ANALYSIS

After discussing the bids with Eric Bradley, P. Eng., the following factors may have contributed to the escalated/inflated pricing:

- Steel duties (the chiller unit is approximately 4.5 tons of steel).
- Contractors are booked and unable to meet our requested completion date of August 2019.
- Tender specification is for a larger heat exchange unit than required to increase the energy efficiency from 20% to 44%. A smaller heat exchange unit may be used which will save approximately \$20,000, however the energy efficiency will decrease.

FINANCIAL IMPLICATIONS

This project is contained in the District Financial Plan 2019-2023 for \$250,000 from general surplus. Excess funding would require authorization from Council and may come from the gas tax fund or the community forest fund.

OPTIONS

- Award project as bid to one of the bidding contractors.
- Re-advertise as a Request for Proposal.
- Await grant funding news in September for the additional arena project.
- Reduce scope to a smaller heat exchange component.
- Award project as bid for the chiller package only (not to include the oil separators), to one of the bidding contractors.

STAFF RECOMMENDATION

"That Council gives direction to staff on the chiller replacement project AND FURTHER THAT if required staff be authorized to use the Council approved funding source for the additional funds required to complete the project."

Respectfully submitted,



Allison McCarrick
Chief Administrative Officer