

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON OCTOBER 18, 2016</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES &amp; CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>TENDER 16-84 IRREGULAR BID FOR STRONACH ARENA DEHUMIDIFICATION LIFECYCLE REPLACEMENT</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Manager Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions **BE TAKEN** with respect to award of contract for the Delivery, Supply and Installation of Arena Dehumidification Equipment.

- (a) The tender submitted by Cimco Refrigeration, A Division of Toromont Industries LTD. 651 Wilton Grove Road, London ON N6N 1N7 at their contract price of \$149,690.00 (HST extra) **BE ACCEPTED**, it being noted that Cimco Refrigeration was the only bid received and meets the City's terms, condition and specifications.
- (b) Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with these purchases; and,
- (c) Approval hereby **BE CONDITIONAL** upon the Corporation entering into formal contracts or having a purchase order, or contracts records relating to the subject matter of this approval.

<b>PREVIOUS REPORTS PERTINENT TO THIS MATTER</b>
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None

<b>BACKGROUND</b>
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**PURPOSE:**

This report is to seek Council approval to enter into a formal contract with Cimco Refrigeration for the supply and installation of dehumidification units at Stronach Arena and Community Center.

**CONTEXT:**

The City issued tenders through the Biddingo website for the supply and installation of four (4) arena specific dehumidification units to support the planned lifecycle replacement of the existing equipment at Stronach Arena and Community Center.

As only one (1) bid was received; it was considered an irregular result under Schedule A of the Procurement of Goods and Services Policy and is being reported as such.

The submission from Cimco Refrigeration was reviewed by staff from Purchasing & Supply and Facilities and meets all the City's terms, conditions and specifications.

**DISCUSSION:**

The existing four (4) dehumidification units are at the end of their expected lifecycle. Dehumidification units effectively and reliably control humidity and are a critical component of the artificial ice making process. These units also significantly improve the energy efficiency of the ice making process and the indoor conditions of the facility.

**FINANCIAL SUMMARY:**

There will be an estimated future annual operating cost avoidance of \$4,000 that will assist in achieving future budget targets.

This project is eligible for an estimated rebate of \$3,000 from London Hydro that will be credited to the Energy account TS6217.

**ACKNOWLEDGEMENTS:**

This report was prepared with assistance of Al Taylor and Michael Knowler from Facilities.

<b>SUBMITTED BY:</b>	<b>REVIEWED AND RECOMMENDED BY:</b>
<b>ALLAN TAYLOR CAPITAL PLANNER, ASSESTS, ENERGY &amp; RELIABILITY</b>	<b>TIM WELLHAUSER, C.I.M. DIVISION MANAGER, FACILITIES</b>
<b>REVIEWED AND RECOMMENDED BY:</b>	<b>RECOMMENDED BY:</b>
<b>ANNA LISA BARBON, CPA, CGA DIRECTOR, FINANCIAL SERVICES</b>	<b>MARTIN HAYWARD, BA, CPA, CGA MANAGING DIRECTOR, CORPORATE SERVICES &amp; CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

Appendix 'A' – Sources of Financing  
Appendix 'B' – Summary of Bids

cc: John Freeman, Manager, Purchasing and Supply  
Al Taylor, Capital Planner, Facilities

**APPENDIX 'A'**

Chair and Members  
Corporate Services Committee

#16125  
October 7, 2016  
(Award Contract)

**RE: Stronach Arena Dehumidification Replacement**  
**Subledger FG150002**  
**Capital Project RC2201-15 - 2015 Recreation Facilities**  
**Cimco Refrigeration - \$149,690.00 (excluding H.S.T.)**

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCE OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project can be accommodated within the financing available for it in the Capital Works Budget and that, subject to the adoption of the recommendations of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, and the manager of Purchasing & Supply, the detailed source of financing for this project is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Committed to Date</u></b>	<b><u>This Submission</u></b>	<b><u>Balance for Future Work</u></b>
Engineering	\$315,000	\$277,563		\$37,437
Construction	2,570,091	1,763,603	149,690	656,798
City Related Expenses	300,000	12,107		287,893
<b>NET ESTIMATED EXPENDITURES</b>	<b><u>\$3,185,091</u></b>	<b><u>\$2,053,273</u></b>	<b><u>\$149,690</u></b> 1)	<b><u>\$982,128</u></b>
 <b><u>SOURCE OF FINANCING:</u></b>				
Capital Levy	\$12,000	\$12,000		0
Debenture By-law W-5586-242	1,964,624	886,897	95,599	982,128
Drawdown from City Facilities Reserve Fund	1,208,467	1,154,376	54,091	0
<b>TOTAL FINANCING</b>	<b><u>\$3,185,091</u></b>	<b><u>\$2,053,273</u></b>	<b><u>\$149,690</u></b>	<b><u>\$982,128</u></b>

**Financial Note:**

1) Contract Price	\$149,690
Add: HST @13%	19,460
Total Contract Price Including Taxes	<u>169,150</u>
Less: HST Rebate - 100%	19,460
Net Contract Price	<u>\$149,690</u>

2) There will be an estimated future annual operating cost avoidance of \$4,000 that will assist in achieving future budget targets.

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Alan Dunbar  
Manager of Financial Planning & Policy

**Appendix 'B'**

**T16-75 Summary – Stronach Arena Dehumidification Replacement**

	Cimco Refrigeration
<b>Sub Total – Contract Price</b>	\$149,690.00
<b>HST</b>	\$19,459.70
<b>Total Contract Price</b>	\$169,149.70