

**Date:** August 13, 2019  
**To:** Andrew Allison, Chief Administrative Officer  
**From:** David Ferguson, Purchasing Manager, Purchasing Services  
**Report#:** PS-011-19      **File#:** Q2019-7  
**Subject:** GBRRRC Refrigeration System Plate Heat Exchanger Replacement  
Summer Recess Procedure (Purchasing By-Law 2015-022 S.73)

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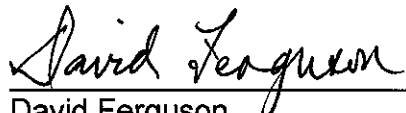
### Recommendations

It is respectfully recommended to the Chief Administrative Officer the following:

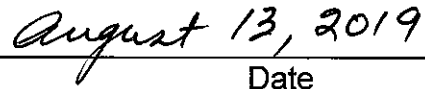
1. That Council be advised of a required change to the scope of work to accommodate emergency repair work following inspection of the Plate Heat Exchanger project at Garnet B. Rickard Recreation Complex (GBRRRC) with an increased cost of \$197,478.60 (Net HST Rebate) in addition to the original award of \$58,865.60 to Carmichael Engineering Ltd.; and
2. That the total funds required in the amount of \$256,344.20 (net HST rebate) be drawn from the following account:

Description	Account Number	Amount
GBRRRC Building Maintenance	110-42-421-84256-7401	\$256,344

Recommended by:



David Ferguson,  
Manager, Purchasing Services



Date

Concurrence:



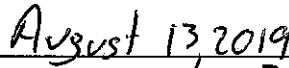
George Acorn,  
Acting Director of Community Services



Date

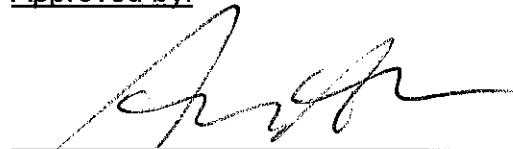


Trevor Pinn, B.Com, CPA, CA  
Director of Finance/Treasurer

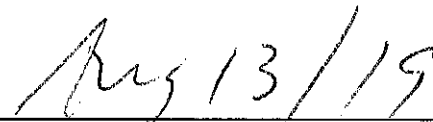


Date

Approved by:



Andrew Allison,  
Chief Administrative Officer



Date

MM\DF\br

cc: M. Marano, Director, Corporate Services

## Background

1. Specifications were prepared by the Community Services Department and provided to the Purchasing Services Division for the refurbishment of the Plate Heat Exchangers for the arena refrigeration system at Garnet B. Rickard Recreation Complex (GBRRC).
2. The original scope of work was for the refurbishment of the heat exchangers and the replacement of the exchanger gaskets.
3. Request for Quotation Q2019-7 was issued by the Purchasing Services Division and advertised electronically on the Municipality's website. Notification of the availability of the document was also posted on the Ontario Public Buyer's Association website.
4. Seven (7) companies downloaded the document.
5. The tender closed on April 26, 2019.
6. Four (4) bids were received in response to the quotation call.
7. The bids were reviewed and tabulated by the Purchasing Services Division (see Attachment 1). One bid was deemed non-compliant as it did not take all of the stipulated requirements into consideration. Three submissions were deemed compliant.
8. The results were forwarded to the Community Services Department for their review and consideration. After review and analysis of the submissions by the Community Services Department and the Purchasing Services Division, it was mutually agreed that the low bidder Carmichael Engineering Ltd being the lowest compliant bidder be recommended for the award of contract Q2019-7 in the amount of \$58,865.60 (Net HST Rebate). PO # 10995 was subsequently issued.

## Comments

9. During the removal of the insulation on the piping connected to the exchangers, as shown in attached memo from the Acting Director of Community Services (see attachment 2), it was discovered that there was significant corrosion on the exterior of the piping and the associated ammonia receiver. At that time the contractor advised staff that the insulation on the receiver and piping did not include a vapour barrier. This allowed condensation to soak the insulation and corrode the equipment prematurely.
10. Due to potential risks associated with a system failure involving ammonia, the decision was made to complete the recommended replacement of the receiver and piping. To mitigate the additional costs the two heat exchangers were replaced with one unit to serve both ice surfaces. The completion of this additional work expediently will also reduce the impact to the start of the 2019/20 ice season at the facility. An additional \$197,478.60 (Net HST Rebate) was required to complete the revised scope of work bringing the total revised contract value to \$256,344.20 (Net HST Rebate).
11. This work is considered an emergency in accordance with Purchasing By-law #2015-022 Part 3, Section 80 which states:

- 1) Emergency means a situation or the threat of an impending situation which, in the opinion of the CAO or a Department Head, requires an immediate Acquisition to prevent serious delays, damage to a basic service, or to maintain or restore a basic service provided by the Corporation.
- 2) Emergency Acquisitions shall be made by the Purchasing Manager. In the absence of the Purchasing Manager, Emergency Acquisitions may be made by a Department Head.
- 3) All Emergency Acquisitions shall be confirmed through a Purchase Order and shall be reported to Committee through a report prepared jointly by the Department Head and the Purchasing Manager if the Cost exceeds \$250,000 or an approved budget limit.

## **Financial**

12. That funding required in the amount of \$256,344.20 (Net HST Rebate) exceeds the approved 2019 budget allocation of \$82,000 and will be funded from the following accounts:

Description	Account Number	Amount
GBRRC Building Maintenance	110-42-421-84256-7401	\$256,344

Note: The original budgeted funds and the additional fund needed are from our Federal Gas Tax and have no impact on tax levy or reserve funds.

13. Queries with respect to the department needs, specifications, etc. should be referred to the Acting Director of Community Services.

## **Conclusion**

14. It is respectfully recommended that staff be authorized to amend the scope of work and purchase order issued to Carmichael Engineering Ltd. for a revised total value of \$256,344.20 to complete the necessary work on this refrigeration equipment and have the system operational as soon as possible.

Attachment #1

# Municipality of Clarington

Q2019-7

## GBRRC Heat Plate Exchanger Replacement

### Bid Summary

BIDDER	Total Bid (including HST)	TOTAL BID (Net HST Rebate)
Carmichael Engineering Ltd.	\$ 65,392.31	\$ 57,869.30
Canadian Tech Air Systems Inc.	\$111,192.00	\$ 98,400.00
Black & McDonald Ltd.	\$128,029.00	\$ 113,300.00