

DATE: May 11, 2018

TO: Chair and Members
Comox Valley Sports Centre Commission

FROM: Russell Dyson
Chief Administrative Officer

FILE: 8020-02

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Budget Amendment for Contract Award for Chiller and Brine Pump

Purpose

The purpose of this report is to seek board approval to amend the 2018-2022 financial plan for the Comox Valley Recreation Complexes function 645 in order to award a contract for the replacement of the chiller in Arena #2 and brine pump in Arena #1 in 2018.

Recommendations from the Chief Administrative Officer:

1. THAT the 2018 – 2022 financial plan for the Comox Valley Recreation Complexes function 645 be amended to increase the allowance for machinery and equipment in 2018 with respect to the replacement of the refrigeration equipment by \$42,500 to be funded by a further transfer from the capital works reserve.
2. THAT a contract be awarded to CIMCO Refrigeration in the amount of \$165,850, excluding GST, for the replacement of the Arena #2 chiller and the Arena #1 brine pump.

Executive Summary

In April 2018, a request for proposals was issued for the replacement of the chiller in Arena #2 and the brine pump in Arena #1 to address the ammonia regulatory changes and the replacement of aging refrigeration equipment. The equipment replacement will need to coincide with the ice arena maintenance shutdown time frame. The chiller for Arena #2 has an 8-10 week ordering lead time therefore requiring a time sensitive decision to meet current operational schedules. There were three proposals received with the highest ranked proponent being CIMCO Refrigeration with a proposed price of \$165,850.

The adopted 2018-2022 financial plan currently includes an allowance of \$140,000 in 2018 for this work. In order to award a contract to CIMCO Refrigeration and address other installation costs, a budget amendment of \$42,500 is required with the funds coming from the capital works reserve.

Prepared by:

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Jennifer Zbinden
Senior Manager Of Recreation Facilities

Concurrence:

T. Ian Smith

T. Ian Smith, MCE
General Manager of Community Services

Background/Current Situation

The Comox Valley Sports Centre has two refrigeration plants. Each one of which has a piece of equipment that has reached the end of its life due to regulatory changes and age. Both the Arena #1 brine pump and Arena #2 chiller are budgeted for replacement in 2018 in the asset management plan. With the changes in ammonia regulations, the chiller to be selected must be a plate and frame model. The 2018 approved capital budget presently includes \$140,000 for the brine pump and chiller.

The equipment replacements can only be completed during the maintenance shutdown when ice is out, and due to an 8 to 10 week lead time for the chiller the work is time sensitive. The arena ice out schedule is as follows:

Arena	Ice out	Operational start up dates
1	April 9-July 16	July 17
2	May 22-August 7	August 8

Staff issued a request for proposal for the design, build and installation of the ammonia chiller and brine pump in April 2018 once the 2018-2022 financial plan was adopted. There were three proposals received with the highest ranked proponent being CIMCO Refrigeration with a proposed price of \$165,850:

Rank	Name of Firm
1	CIMCO Refrigeration
2	Fraser Valley Refrigeration
3	Train Solutions

Policy Analysis

Bylaw No. 510, being the “Comox Valley Regional District Delegation of Purchasing Authority Bylaw No. 510, 2018” and the board approved “Procurement Policy” require that the Board approve a Financial Plan amendment when a contract award exceeds the financial plan.

Options

The Board has the following options with respect to the request:

1. To award the equipment replacement contract to CIMCO Refrigeration.
2. To not award a contract for the equipment replacement.

As the work is essential to the continued operations of the facility, staff are recommending option 1.

Financial Factors

The adopted 2018-2022 financial plan for the Comox Valley Recreation Complexes includes a \$140,000 allowance in 2018 to replace the chiller and brine pump. The highest ranked proponent has provided a proposed price of \$165,850 leaving a shortfall of \$25,850 before contingencies.

A budget amendment to increase the allowance for machinery and equipment in 2018 by \$42,500 is required and can be funded by a further transfer from the capital works reserve.

Legal Factors

There are no legal impediments to the award of this contract.

Intergovernmental Factors

There are no intergovernmental implications to the award of this contract.

Citizen/Public Relations

As the equipment replacement will take place during regularly scheduled maintenance shut-down periods, there is no expected disruption to recreation programs and services. However if the project schedule causes a delay patrons and user groups will be informed via public notices.