

# HALIFAX

P.O. Box 1749  
Halifax, Nova Scotia  
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**Item No. 11.1.2**  
**Halifax Regional Council**  
**March 9, 2021**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:**

Original Signed by 

\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** February 17, 2021

**SUBJECT:** **Award – Request for Quotation 21-004 Generator Inspection, Repair and Maintenance**

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## **ORIGIN**

This report originates with the requirement for generator inspection, repair, and maintenance services for HRM facilities.

## **LEGISLATIVE AUTHORITY**

The Municipality may spend money for municipal purposes in accordance with section 79A of the HRM Charter. The recommended contract award complies with all of the pre-requisites for awarding contracts as set out in section 26 of Administrative Order 2020-004-ADM, the *Procurement Administrative Order*.

Section 28 of the *Procurement Administrative Order*, provides that Halifax Regional Council may approve contract awards of any amount.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council award RFQ 21-004 to Eastern Alternative Power Systems for a total price of \$1,893,751 (net HST included), with funding from B034, P316, P425, R680, R681, R683 and W213 as outlined in the Financial Implications section of this report, for a five-year term commencing May 1, 2021, through April 30, 2026.

## **BACKGROUND**

Municipal Facilities Maintenance & Operations are responsible for 233 buildings through preventative and life cycle maintenance planning. There are 56 emergency electrical power supply generators in 55 facilities that total 1.5 million square feet. Many of the generators are required to remain operational should there be power failure during emergency situations. The total replacement value of the emergency generators is approximately \$4.2 million.

In compliance with the Canadian Standards Association (CSA) C282-15 (Emergency Electrical Power Supply for Buildings), HRM is required to operate and maintain the generators and transfer switches in accordance with the manufacturer's recommendations. The current contract for generator inspection, repair, and maintenance will expire on April 30, 2021.

## **DISCUSSION**

HRM owned and operated facilities support a variety of public programs and services as well as services required in emergency situations. These include 311 and 911 call centres, fire stations, Police facilities, transit facilities and community centres. Some are designated comfort centres during emergency situations. Many of these buildings contain emergency generators that are required to remain operational during emergency situations.

The current maintenance agreement for buildings that have emergency electrical power supply specifies detailed inspections as required by CSA C282-15. This includes, but is not limited to, a weekly, monthly, semi-annually, annually and five-yearly inspection schedule, verifying the generator functionality, checking oil levels and replacement of consumables (oil, filters, etc.), ensuring proper automatic transfer under load, fuel replacement and fuel filtration to remove impurities. Failure to perform the maintenance could result in the units not operating in the event of an emergency and/or generator warranties becoming void.

The contract is transferrable and allows for the addition and removal of facilities as required based on acquisition or disposal time lines. All generators require testing and maintenance regardless of the age of the unit. The generator warranty details the maintenance required, based on code and manufacturers' recommendations, to maintain warranty coverage. Failure on the part of the contractor to fulfill the contractual obligations shall be considered just cause for termination of the contract.

The five-year total cost to provide this service in house by HRM staff is approximately **\$2.39 million**.

Cost Item	Description	Calculation	Year 1 Costs	Year 2 Costs	Year 3 Costs	Year 4 Costs	Year 5 Costs	5-Year Total
<b>Compensation</b>	Industrial Mechanics	4 staff @ 35/hr. x 2,080 hrs + 25% benefits; Yrs 2-5: average increase of \$7,000	\$364,000	\$371,000	\$378,000	\$385,000	\$392,000	\$1,890,000
	Supervisor	60% of a Supervisor Salary @ \$78,000 per year + 25% benefits; Yrs 2 -5: average increase of 2%	\$58,500	\$59,670	\$60,863	\$62,081	\$63,322	\$304,436
<b>Training *</b>	Staff Training	4 staff @ \$5,000	\$20,000	\$0	\$0	\$0	\$0	\$20,000
<b>Fleet</b>	HRM Vehicle	4 vehicles @ \$4,500 per year	\$18,000	\$18,000	\$18,000	\$18,000	\$18,000	\$90,000
<b>Tools &amp; Equipment</b>	Tools	Yr 1 – 4 staff @ \$3,000: Year 3 – 4 staff @1,250	\$12,000	\$0	\$5,000	\$0	\$0	\$17,000
	Load Bank**	Year 1 – 2 load banks @ \$30,000	\$60,000	\$0	\$0	\$0	\$0	\$60,000
	Safety Equipment	Year 1 – 4 staff @ \$1,500; Year 4 – 4 staff @ \$1,000	\$6,000	\$0	\$0	\$4,000	\$0	\$10,000
<b>TOTAL</b>			<b>\$538,500</b>	<b>\$448,670</b>	<b>\$461,863</b>	<b>\$469,081</b>	<b>\$473,322</b>	<b>\$2,391,436</b>

\*Staff would require specific manufacturer training. Training on all the different generator sets (Cummins, Caterpillar and Kolar).

\*\*Load Bank is a device which develops an electrical load, applies the load to an electrical power source and converts or dissipates the resultant power output of the source. The purpose of the load bank is to accurately represent the operational or “real” load that a power source will see in actual application.

The RFQ was called and posted to the Province of Nova Scotia’s Procurement website on January 1, 2021 and closed on February 3, 2021.

Bids were received for each site based on the required inspection schedule and bidders were required to bid on all sites. Bidders were also required to provide an hourly service rate for service requests over and above the contract deliverables. Evaluation was based on the sum of the five-year fixed rate for scheduled services and a five-year estimated hourly rate cost.

Compliant bids were received from four companies – Cummins Canada, Eastern Alternative Power Systems, Samson Equipment and XL Electric.

**Eastern Alternative Power Systems** was the low bidder.

Vendor	5 Year Total net HST incl.	5 Year Total Hourly Rate Cost net HST incl.	Total Bid net HST included
*Eastern Alternative Power Systems	\$1,800,936	\$ 92,815	\$1,893,751
Samson Equipment	\$2,202,296	\$112,629	\$2,314,925
XL Electric	\$2,822,048	\$135,885	\$2,957,933
Cummins Canada	\$3,012,762	\$115,507	\$3,128,269

\*The annual totals from Eastern Alternative Power Systems for each location can be found in the Financial Implications below. Hourly rate amounts are estimates only as per the Request for Quotation.

### **FINANCIAL IMPLICATIONS**

Based on the one-year fixed term bid price of \$355,282 net HST included for the HRM facilities listed below, funding is available in the following cost centres:

B034 - 6399	\$	6,257
*P316 -	\$	6,257
P425 - 6399	\$	6,257
R680 - 6708	\$	6,257
R681 - 6708	\$	6,257
R683 - 6708	\$	12,514
W213 - 6708	\$	311,483
Total Per Year	\$	355,282

\*via the lease payment through a 3<sup>rd</sup> party Landlord

Funding for years 2 through 5 will be accommodated through future approved operating budgets. Budget availability has been confirmed by Finance.

### **5-Year Cost Per Site: Eastern Alternative Power Systems**

Cost Centre	Location	Annual Cost per Location (net HST incl.)	Total 5-Year Cost per Location (net HST incl.)	Year 5 One-Time Mandatory Inspection Cost Per Location (net HST incl.)	Total 5-year (net HST incl.)
W213	Alderney Gate	\$6,257	\$31,285	\$438	\$31,723
W213	Bi-Centennial Theatre	\$6,633	\$33,165	\$438	\$33,603
R681	Burnside Terminal (Metro Transit Depot)	\$6,257	\$31,285	\$438	\$31,723
R683	Bus Terminal - Lacewood	\$6,257	\$31,285	\$438	\$31,723
Cost Centre	Location	Annual Cost per Location (net HST incl.)	Total 5-Year Cost per Location (net HST incl.)	Year 5 One-Time Mandatory Inspection Cost Per Location (net HST incl.)	Total 5-year (net HST incl.)
W213	Caledonia Road Greenhouses	\$6,257	\$31,285	\$438	\$31,723

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W213	Captain William Spry Community Centre	\$6,257	\$31,285	\$438	\$31,723
P316	Criminal Investigation Division	\$6,257	\$31,285	\$438	\$31,723
W213	David P. McKinnon Building (HPD)	\$6,257	\$31,285	\$438	\$31,723
W213	East Dartmouth Community Centre	\$6,257	\$31,285	\$438	\$31,723
W213	Eric Spicer (Generator 1)	\$6,257	\$31,285	\$438	\$31,723
W213	Eric Spicer (Generator 2)	\$6,257	\$31,285	\$438	\$31,723
W213	FS #02 University Avenue	\$6,257	\$31,285	\$438	\$31,723
W213	FS #03 West Street	\$6,257	\$31,285	\$438	\$31,723
W213	FS #04 Lady Hammond Road	\$6,257	\$31,285	\$438	\$31,723
W213	FS #05 Bayers Road	\$6,257	\$31,285	\$438	\$31,723
W213	FS #06 Herring Cove	\$6,257	\$31,285	\$438	\$31,723
W213	FS #07 Knightsridge	\$6,257	\$31,285	\$438	\$31,723
W213	FS #08 / Police Convoy Run	\$6,257	\$31,285	\$438	\$31,723
W213	FS #09 Metropolitan Avenue	\$6,257	\$31,285	\$438	\$31,723
W213	FS #10 Millwood	\$6,257	\$31,285	\$438	\$31,723
W213	FS #12 Highfield Park	\$6,257	\$31,285	\$438	\$31,723
W213	FS #13 King Street	\$6,257	\$31,285	\$438	\$31,723
W213	FS #15 Pleasant Street	\$6,257	\$31,285	\$438	\$31,723
W213	FS #16 Eastern Passage	\$6,257	\$31,285	\$438	\$31,723
W213	FS #17 Cole Harbour Road	\$6,257	\$31,285	\$438	\$31,723
W213	FS #18 Main Street	\$6,257	\$31,285	\$438	\$31,723
W213	FS #23 Chezzetcook	\$6,633	\$33,165	\$438	\$33,603
W213	FS #24 Musquodoboit Harbour	\$6,633	\$33,165	\$438	\$33,603
W213	FS #28 Sheet Harbour	\$6,633	\$33,165	\$438	\$33,603
W213	FS #29 Moser River	\$6,633	\$33,165	\$438	\$33,603
W213	FS #34 Mushaboom	\$6,633	\$33,165	\$438	\$33,603
W213	FS #35 Cooks Brook	\$6,633	\$33,165	\$438	\$33,603
W213	FS #38 Middle Musquodoboit	\$6,633	\$33,165	\$438	\$33,603
W213	FS #40 Dutch Settlement	\$6,633	\$33,165	\$438	\$33,603
W213	FS #45 / Gordon R. Snow Comm. Centre	\$6,257	\$31,285	\$438	\$31,723
W213	FS #48 Beaverbank Kinsac Comm. Ctr.	\$6,257	\$31,285	\$438	\$31,723
W213	FS #50 Hammonds Plains	\$6,257	\$31,285	\$438	\$31,723
W213	FS #56 Black Point	\$6,633	\$33,165	\$438	\$33,603
W213	FS #60 Herring Cove	\$6,257	\$31,285	\$438	\$31,723
W213	FS #65 Tantallon	\$6,257	\$31,285	\$438	\$31,723
B034	Halifax Central Library	\$6,257	\$31,285	\$438	\$31,723
W213	Halifax City Hall	\$6,257	\$31,285	\$438	\$31,723
W213	HRM Depot Cowie Hill Road	\$6,257	\$31,285	\$438	\$31,723
<b>Cost Centre</b>	<b>Location</b>	<b>Annual Cost per Location (net HST incl.)</b>	<b>Total 5-Year Cost per Location (net HST incl.)</b>	<b>Year 5 One-Time Mandatory Inspection Cost Per Location (net HST incl.)</b>	<b>Total 5-year (net HST incl.)</b>
W213	HRM Depot MacKintosh Street	\$6,257	\$31,285	\$438	\$31,723

W213	HRM Depot Thornhill Drive	\$6,257	\$31,285	\$438	\$31,723
W213	HRM Depot Turner Drive	\$6,257	\$31,285	\$438	\$31,723
R683	MacDonald Bridge Terminal	\$6,257	\$31,285	\$438	\$31,723
W213	Moser River Community Centre	\$6,633	\$33,165	\$438	\$33,603
W213	Musquodoboit Harbour Recreation Centre	\$6,633	\$33,165	\$438	\$33,603
W213	North Preston Recreation Centre	\$6,257	\$31,285	\$438	\$31,723
W213	Northbrook Centre	\$6,257	\$31,285	\$438	\$31,723
P425	Police Satellite Office	\$6,257	\$31,285	\$438	\$31,723
W213	Prospect Road Community Centre	\$6,257	\$31,285	\$438	\$31,723
W213	Public Gardens	\$6,257	\$31,285	\$438	\$31,723
R680	Ragged Lake Transit Building	\$6,257	\$31,285	\$438	\$31,723
W213	Samuel R. Balcom Community Centre	\$6,633	\$33,165	\$438	\$33,603
	<b>TOTAL</b>	<b>\$355,282</b>	<b>\$1,776,410</b>	<b>\$24,528</b>	\$1,800,936

**RISK CONSIDERATION**

Failure to perform maintenance as per CSA C282 could result in generators not functioning in the event of an emergency event. This could lead to the voiding of all warranties and possible insurance implications.

**ENVIRONMENTAL IMPLICATIONS**

There are no Environmental Implications.

**ALTERNATIVES**

Each of the 55 Facilities could be outsourced separately or completed by in house staff, both options would be more costly and difficult to coordinate. This is not recommended by staff.

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

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