

# HALIFAX

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**Item No. 15.1.3**  
**Halifax Regional Council**  
**November 8, 2022**

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

Original Signed by 

**SUBMITTED BY:** \_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** October 19, 2022

**SUBJECT:** **Award - 22-160 RFQ – Scotiabank Centre – Critical Equipment Supply and Storage**

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## **ORIGIN**

The Approved 2021/22 Capital Budget, Supplementary Sheet B21.

## **LEGISLATIVE AUTHORITY**

The Municipality may spend money for municipal purposes in accordance with section 79A of the *Halifax Regional Municipality 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 Policy*. Section 28 of the *Procurement Policy* provides that Halifax Regional Council may approve contract awards of any amount.

## **RECOMMENDATION**

It is recommended that Halifax Regional Council award RFQ 22-160, Scotiabank Centre Critical Equipment Supply and Storage, to the lowest bidder meeting the specifications, Trane Canada ULC, for a total price of \$2,265,817 (HST fully reimbursable) with funds from Project Account No. CB1900008, Energy Efficiency Initiatives as outlined in the Financial Implications section of this report.

## **BACKGROUND**

The Approved 2021/22 Capital Budget includes funds for Energy Efficiency Initiatives including at the Scotiabank Centre for the replacement of the existing ice plant and chilled water system. The supply and storage of critical equipment RFQ 22-160, is the first phase of the Scotiabank Centre ice plant and chilled water system replacement project. The second phase of this project will be completed through a Design

Build RFP which is scheduled to be posted following the award of RFQ 22-160. The project is being partially funded with the Federal and Provincial Investing in Canada Infrastructure Program (ICIP) funding. This funding accounts for 60.2% of the bid price.

**DISCUSSION**

RFQ No. 22-160 was publicly advertised on the Province of Nova Scotia’s Procurement website on July 6, 2022 and closed on August 18, 2022. One bid was received:

<b><u>Name of Company</u></b>	<b><u>Bid Price (HST fully reimbursable)</u></b>
Trane Canada ULC	\$2,265,817*

**\*Recommended bidder**

The scope of work for this RFQ consists of the supply and storage of critical equipment for the ice plant and chilled water system replacement project. The critical equipment to be supplied includes the following:

- Two (2) Integrated Thermal Packages for refrigeration at 15°F
- Two (2) Integrated Thermal Packages for refrigeration at 45°F
- Two (2) Adiabatic Fluid Coolers
- 21 Thermal Storage Tanks
- Various Automation Controllers

It is anticipated that the equipment will be delivered in early 2023 and stored for up to 12 months. The rationale for purchasing and storing the equipment in advance of engaging the Design Build contractor is due to the limited period of time to complete an ice plant replacement at the Scotiabank Centre during the summer months when there are no ice events. Additionally, this approach was taken due to the extended lead times for equipment that have been experienced in the last 18 months as a result of COVID impacting production plants worldwide.

**FINANCIAL IMPLICATIONS**

Based on the lowest tendered price of \$2,265,817 HST fully reimbursable, funding is available in the Approved 2021/22 Capital Budget from Project Account No. CB190008 – Energy Efficiency Initiatives. The budget availability has been confirmed by Finance.

Budget Summary:	<u>Project Account No. CB190008</u>	
	Cumulative Uncommitted Budget	\$12,965,329
	<b>Less: RFQ No. 22-160</b>	<b><u>\$ 2,265,817*</u></b>
	Balance	\$10,699,512

\* This project was estimated in the Approved 2021/2022 Project Budget at \$1,860,000.

The balance of funds will be used for the Design Build RFP for the Scotiabank Centre ice plant and chilled water system replacement and various energy efficiency initiative projects.

**RISK CONSIDERATION**

The current ammonia system at Scotiabank Centre represents a serious safety risk to building occupants and downtown Halifax. The dangers of ammonia are greatly reduced in a newer facility that is designed with safety best practices. Scotiabank is an aging facility with an aging plant that is has a number of ammonia plant code-compliance deficiencies.

The risks of installing the new system are significantly lower than continuing to operate with the existing ammonia system. Consideration was given to financial, legal and compliance, and service delivery risks.

### **ENVIRONMENTAL IMPLICATIONS**

The overall project at Scotiabank Centre, which includes heat recovery, solar, controls and the proposed new R513a ice plant is expected to save 14,000 tons of CO<sub>2</sub> equivalent over the lifetime of the project. The emissions impact of energy usage far exceeds the impact of a potential refrigerant leak. In a worst-case scenario, where 100% of the refrigerant leaked out of the proposed R513a system as a result of a rare catastrophe or act of sabotage, the project would still achieve over 98% of expected emissions reductions. The proposed R513a plant is a packaged system that is built off-site by the manufacturer with less likelihood of leakage than the current built-up system. The project is in line with the goals of HalifACT.

### **SOCIAL VALUE**

Social value for the RFQ will be achieved in two categories: Environmental Benefit, and Advanced Health and Safety.

#### *Environmental Benefit*

As noted in the Environmental Implications section, this project is expected to save 14,000 tons of CO<sub>2</sub> equivalent over the lifetime once completed. The project is in line with the goals of HalifACT.

#### *Advanced Health and Safety*

As noted in the Risk Consideration section, the change of refrigerant used in the new system (R513a) is a significantly safer gas than the existing ammonia gas that is being used. This change will result in a safer workplace for staff and a safer facility for all guests and the public at large in the downtown area.

### **ALTERNATIVES**

Regional Council could choose not to approve the recommendation in this report.

### **ATTACHMENTS**

There are no attachments.

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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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