



REPORT ADM-2014-001

TO: Mayor and Members of Council

FROM: Karen Landry, CAO/Clerk

SUBJECT: Single Source award to Total Refrigeration Limited
File No. L04/TOT

RECOMMENDATIONS

That Report ADM-2014-001 regarding Single Source Award to Total Refrigeration Limited be received; and

That the single source contract for the replacement of the refrigeration plant at the Optimist Recreation Centre be awarded to Total Refrigeration Limited in the amount of \$63,200.00 exclusive of HST; and

That the replacement of the refrigeration plant and any incidental costs related to its replacement such as refrigerate be funded from the Recreation Working Reserve and the Cash in Lieu of Parkland Reserve Fund.

DISCUSSION

Purpose

The purpose of this Report is to seek Council's approval to award a single source contract to Total Refrigeration Limited for the replacement of the refrigeration plant at the Optimist Recreation Centre.

Background

The Township entered into a contract for the supply and installation of the refrigeration plant for the rink at the Optimist Recreation Centre in March 2010, and the refrigeration plant was started for the first time on November 17, 2010. Since then a number of issues have been identified including noise, vibration, functionality and compliance with Technical Safety Standards Association requirements.

Remedial Work on Current Refrigeration Plant

While remedial work was carried out by the contractor who installed the refrigeration plant these works have not addressed all concerns that have been raised. Additional remedial work over the past year has been carried out on the refrigeration plant's operational system by the Township to achieve compliance with the Technical Safety Standards Association's (TSSA) requirements. At the time of retaining a contractor to complete these works three quotes were obtained. Total Refrigeration Limited was the successful proponent and completed the works to the Township's satisfaction.

New Refrigeration Plant

In order to mitigate concerns related to noise and to complete any outstanding TSSA requirements, it is recommended that the existing refrigeration plant be replaced with a 2 Bitzer single stage semi hermetic compressors. Staff obtained a quote from Total Refrigeration Limited to install a new refrigeration plant at a cost of \$63,200.00 exclusive of HST. Staff recommend awarding a single source contract to Total Refrigeration Limited due to the contractors familiarity with the operational system, past performance and pricing.

The replacement of the system would be completed in January/February 2014, at a time when the weather forecasts cold temperatures over several days in order to minimize any potential impact on ice rentals.

Financial Implications

It is recommended that the new refrigeration plant be added to and approved at this time as a Capital Budget project for 2014 and be funded from the Recreation Working Reserve for \$29,200 and the remainder be funded from the Cash in Lieu of Parkland Reserve Fund.

December 31, 2013 Balance in Cash in Lieu of Parkland	\$258,789
Contract Cost for Replacement of Refrigeration Unit inclusive of non-refundable portion of HST	(\$64,312)
Balance in Cash in Lieu of Parkland Reserve Fund	\$194,477

There will also be additional incidental costs incurred such as refrigerate which will be funded from the Recreation Working Reserve.

December 31, 2012 Balance in Recreation Working Reserve related to ORC project	\$124,000
Funds paid out in 2012 from Recreation Working Reserve related to the ORC project	(\$94,801)
Balance in the Recreation Working Reserve for incidentals and replacement of Refrigeration Unit	\$29,200

Applicable Legislation and Requirements

Township's Purchasing By-law

The Township's Purchasing By-law does not specifically state that the awarding of a single source contract be approved by Council. However, Council approval of a single source contract is considered a best practice.

Planning Act

The Planning Act states:

Park purposes

(14) The council of a municipality may include in its estimates an amount to be used for the acquisition of land to be used for park or other public recreational purposes and may pay into the fund provided for in subsection (15) that amount, and any person may pay any sum into the same fund.

Special account

(15) All money received by the municipality under subsections (6) and (14) and all money received on the sale of land under subsection (5), less any amount spent by the municipality out of its general funds in respect of the land, shall be paid into a special account and spent only for the acquisition of land to be used for park or other public recreational purposes, including the erection, improvement or repair of buildings and the acquisition of machinery for park or other public recreational purposes.