



## CITY OF VANCOUVER

### ADMINISTRATIVE REPORT

Report Date: June 27, 2008  
Author: Chris Baber  
Phone No.: 604.871.6127  
RTS No.: 7353  
VanRIMS No.: 08-2000-20  
Meeting Date: July 8, 2008

TO: Vancouver City Council

FROM: General Manager of Engineering Services

SUBJECT: Neighbourhood Energy Utility ("NEU") - Award of Contract (PS08088) for Electrical Equipment Supply for the Southeast False Creek ("SEFC") Community Energy Centre and Sewage Pump Station

#### RECOMMENDATION

- A. *THAT, subject to the conditions set out in Recommendations B, C, and D, that Council authorize a contract with Westburne Electric Supply for the supply and delivery of electrical equipment, in accordance with Invitation to Tender No. PS08088, at an estimated cost of \$735,987 plus applicable taxes; source of funding to be the NEU Interim Budget.*
- B. *THAT the Director of Legal Services be authorized to execute and deliver on behalf of the City all legal documents required to implement Recommendation A.*
- C. *THAT all such legal documents be on terms and conditions satisfactory to the General Manager of Engineering Services and the Director of Legal Services.*
- D. *THAT no legal rights or obligations will be created or arise by Council's adoption of Recommendations A, B and C above unless and until such legal documents are executed and delivered by the Director of Legal Services to Westburne Electric Supply.*

## **CITY MANAGER'S COMMENTS**

The City Manager RECOMMENDS approval of the above recommendations to proceed with the purchase of electrical equipment.

## **COUNCIL POLICY**

Contracts with a value over \$300,000 require approval of City Council. Contracts are awarded on the basis of best value to the City.

On March 2, 2006, Council approved in principle the creation of the NEU to provide space heating and domestic hot water services to SEFC buildings, with interim development financing of a maximum of \$14.0 million provided by the Capital Financing Fund.

## **PURPOSE**

This report seeks authorization to award the contract for the supply and delivery of electrical equipment to be used in the SEFC Community Energy Centre and Sewage Pump Station ("CECSPS") to Westburne Electric Supply at an estimated cost of \$735,987 plus applicable taxes.

## **BACKGROUND**

On March 2, 2006, Council approved in principle the creation of the NEU to provide space heating and domestic hot water services to the SEFC Official Development Plan area. Development of the NEU was considered to be an economically and technically viable contribution toward the greenhouse gas ("GHG") reduction objectives identified in the SEFC Official Development Plan. Creation of the NEU will also contribute toward the achievement of the City's community GHG targets, and provide a financial return on the City's investment. Council also approved the NEU Interim Budget with financing approved from the Capital Financing Fund to be repaid from future NEU revenues.

On July 16, 2007, Council approved a report recommending that the City enter into a contract with the team lead by Sandwell Engineering Inc. to provide detailed design and construction management services for the CECSPS. The CECSPS will incorporate a sewage pump station and will utilize sewage heat recovery as the primary source of energy. The Development Permit Board granted unanimous support for the CECSPS design on March 25<sup>th</sup>, 2008.

## **DISCUSSION**

On June 6, 2008, an Invitation to Tender ("ITT") was issued for the supply and delivery of electrical equipment for the CECSPS. This ITT closed on June 26, 2008, with tender submissions received from Wesco Distribution Canada LP and Westburne Electric Supply. Prices listed in Table 1 are based on lump sum amounts and unit rates (as applicable) for the supply and delivery of electrical equipment.

Table 1: Tender Prices

Tenderer	Tender Price (not including GST and PST)
Wesco Distribution Canada LP	\$990,502
Westburne Electric Supply	\$735,987

The Evaluation Team, with representatives from the City and Sandwell Engineering Inc. assessed the tender submissions. Tender submissions were evaluated on the basis of the overall best value to the City including, but not limited to, the following criteria:

- a) the Tenderer's ability to meet the requirements, qualifications and competencies set out in the ITT;
- b) the Tenderer's financial offering, including but not limited to price, operating and maintenance costs, warranty and any life cycle considerations;
- c) the Tenderer's business and technical reputation and capabilities; experience and where applicable, the experience of its personnel; financial stability; track record; and references of current and former customers;
- d) equipment quality, configuration, age and condition; and
- e) any other criteria reasonably considered relevant.

As Westburne Electric Supply's tender submission met the requirements of the ITT and is considered to provide the best value for the City, the Evaluation Team recommended that Westburne Electric Supply be awarded the contract for the supply of electrical equipment to the CECSPS.

#### FINANCIAL IMPLICATIONS

The recommended contract with Westburne Electric Supply at an estimated cost of \$735,987 plus applicable taxes will be funded from the approved NEU Interim Budget.

#### CONCLUSION

Following a competitive public tender process, it is recommended that the contract for the supply and delivery of electrical equipment for use in the Southeast False Creek Community Energy Centre and Sewage Pump Station be awarded to Westburne Electric Supply.

\* \* \* \* \*