


HALIFAX


P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 14.1.1
Halifax Regional Council
May 10, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by 

John Traves, Q.C., Acting Chief Administrative Officer

Original Signed by 

Jane Fraser, Acting Deputy Chief Administrative Officer

DATE: April 4, 2016

SUBJECT: **Award – Q16M022 Maintenance Agreement for Facility Emergency Generators**

ORIGIN

Required generator inspection services for HRM buildings.

LEGISLATIVE AUTHORITY

Under the *HRM Charter*, Section 79, Regional Council may expend money for municipal purposes. Section 111(5) The Municipality may enter into a lease, lease-purchase or other commitment to pay money over a period extending beyond the end of the current fiscal year if, where the total commitment exceeds five hundred thousand dollars, the proposed commitment has been approved by the Minister. Administrative Order #35, the Procurement Policy, requires Council to approve the award of contracts for sole sources exceeding \$50,000 or \$500,000 for Tenders and RFP's. The following report conforms to the above Policy and Charter.

RECOMMENDATION

It is recommended that Regional Council award RFQ number Q16M022 to Eastern Alternative Power Systems for a total tender price of \$1,797,616 (net HST included), with funding from W213, W203, W169, R680, R681, R683, B034, and P425 as outlined in the Financial Implications section of this report for a five-year term from 01 May 2016, to 30 April 2021, pending Ministerial Approval.

BACKGROUND

The Municipality cares for 224 buildings through preventative and life cycle maintenance planning. Included in that number are 52 facilities that have emergency electrical power supply generators, many of which are required to remain operational should there be power failure during emergency situations.

These facilities occupy a total footprint of 1,506,247 square feet of our municipal building portfolio. The approximate replacement value of the all of the emergency generators is \$3,900,000.

In compliance with 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 maintenance will expire at the end of April, 2016.

DISCUSSION

The buildings owned and operated by the Municipality enable the provision of a variety of programs and services to the public. Many buildings that contain emergency generators are required to remain operational during emergency situations. These buildings include but are not limited to Eric Spicer which houses both the 311 and 911 Call Centres; various fire stations; transit facilities; and a number of community recreation centres which are designated comfort centres in a state of emergency.

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, verifying functionality, checking oil levels and replacement of consumables (oil, filters, etc.), 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. In addition, warranties on the units would be void.

The quotation for the maintenance agreement for emergency generators was advertised on the provincial website beginning on February 22, 2016, and closing on March 7, 2016.

The recommended five-year term contract is renewable on a year-to-year basis, based on acceptable performance. The contract is transferrable; we can add and remove facilities as required based on acquisition or disposal time lines. All facilities with generators require testing and maintenance regardless of age, the warranty only covers the equipment as long as we do the maintenance based on code and manufacturers recommendations. Failure on the part of the contractor to fulfill the contractual obligations shall be considered just cause for termination of the contract.

The new maintenance agreement for emergency generators will realize a \$35,700 annual savings, with an overall 5-year term savings of \$178,500.

The following is the price breakdown from the bidding process:

Company	Total Annual Cost (net HST included)	Total Cost (net HST included)
Eastern Alternative Power Systems Ltd.	\$359,523.06	\$1,797,615.32
David Veinottes Truck & Auto	\$370,448.90	\$1,852,244.50
Madsen Power Systems	\$395,631.88	\$1,978,159.42
Sansom Equipment Limited	\$569,338.98	\$2,846,694.94
Cummins Eastern Canada	\$583,003.58	\$2,915,017.91
Smith's Diesel and Power Generation Systems Ltd.	\$788,420.30	\$3,942,101.53
Wajax Power Systems	\$878,515.27	\$4,392,576.38
Canadian Maritime Engineering	\$969,960.74	\$4,849,803.74

FINANCIAL IMPLICATIONS

In compliance with CSA C282, based on the lowest 5-year cost of \$1,782,598.14 (net HST included) equalling \$356,519.62 per year (net HST included), funding is available for 2016/17 and will be included in the proposed Operating Budgets for the subsequent years, ending March 31, 2021.

The budget availability has been confirmed by Finance.

Cost Center	Location	Total Cost	Total Cost (net HST Incl.)
W203	Alderney Gate	\$32,655.00	\$34,054.59
R681	Burnside Transit Depot	\$32,655.00	\$34,054.59
W213	Caledonia Greenhouses	\$32,655.00	\$34,054.59
W213	Captain William Spry Centre	\$32,655.00	\$34,054.59
W213	Cowie Hill Depot	\$32,655.00	\$34,054.59
W213	David P. Mckinnon Building	\$32,655.00	\$34,054.59
W213	East Dartmouth Community Centre	\$32,655.00	\$34,054.59
W213	Eric Spicer Building - Generator 1	\$32,655.00	\$34,054.59
W213	Eric Spicer Building - Generator 2	\$32,655.00	\$34,054.59
B034	Halifax Central Library	\$27,131.00	\$28,293.83
W213	Halifax City Hall	\$32,655.00	\$34,054.59
W213	HRM Fire Station #2 University Ave.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #3 West St.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #4 Lady Hammond Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #5 Bayers Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #6 Herring Cove Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #7 Knightsridge Dr.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #8 Convoy Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #9 Metropolitan Boul.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #10 Sackville	\$32,655.00	\$34,054.59
W213	HRM Fire Station #12 Windmill Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #13 King St.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #16 Eastern Passage	\$32,655.00	\$34,054.59
W213	HRM Fire Station #17 Cole Harbour Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #18 Main St.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #23 Chezzetcook	\$35,055.00	\$36,557.46
W213	HRM Fire Station #28 Sheet Harbour	\$35,055.00	\$36,557.46
W213	HRM Fire Station #29 Moser River	\$35,055.00	\$36,557.46
W213	HRM Fire Station #34 Tangier	\$35,055.00	\$36,557.46
W213	HRM Fire Station #35 Cooks Brook	\$35,055.00	\$36,557.46
W213	HRM Fire Station #40 Dutch Settlement	\$35,055.00	\$36,557.46
W213	HRM Fire Station #45 Gordon R. Snow Building	\$32,655.00	\$34,054.59
W213	HRM Fire Station #49 Beaver Bank Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #50 Hammonds Plains Rd.	\$32,655.00	\$34,054.59
W213	HRM Fire Station #56 Black Point	\$35,055.00	\$36,557.46
W213	HRM Fire Station #60 Herring Cove	\$35,055.00	\$36,557.46
W213	HRM Fire Station #65 Upper Tantallon	\$35,055.00	\$36,557.46
W213	HRM Police Annex	\$32,655.00	\$34,054.59
P425	HRM Police Satellite Office (Mellor Ave)	\$32,655.00	\$34,054.59
R683	Lacewood Transit Terminal	\$32,655.00	\$34,054.59
W213	MackIntosh Depot	\$32,655.00	\$34,054.59
W213	Moser River Community Centre	\$35,055.00	\$36,557.46
R683	Nantucket Bridge Transit Terminal	\$32,655.00	\$34,054.59
W213	North Preston Community Centre	\$35,055.00	\$36,557.46
W213	Northbrook Community Police Center	\$32,655.00	\$34,054.59
W169	Old Red Cross Building	\$32,655.00	\$34,054.59
W213	Prospect Recreation Centre	\$35,055.00	\$36,557.46
W213	Public Gardens Greenhouse	\$32,655.00	\$34,054.59
R680	Ragged Lake Transit Depot	\$32,655.00	\$34,054.59
W213	Sheet Harbour Community Centre	\$35,055.00	\$36,557.46
W213	Thornhill Depot	\$32,655.00	\$34,054.59
W213	Turner Drive Depot	\$32,655.00	\$34,054.59
Total		\$1,723,736.00	\$1,797,615.32

ENVIRONMENTAL IMPLICATIONS

There are no Environmental Implications.

ALTERNATIVES

Each of the 52 Buildings could be outsourced separately which would be more costly and difficult to coordinate.

RISK CONSIDERATIONS

Failure to perform maintenance as per CSA C282 could result in units not functioning in the event of an emergency. Warranties on units would be void and there would also be potential for insurance implications in the event that there was an incident during a power switch over.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Jim Brown, Supervisor, Operations & Technical Services, 902-430-6267

Report Approved by: _____
Diane Moulton, Manager, Municipal Facilities Maintenance & Operations, 902-490-1536

Procurement Review: _____
Jane Pryor, Manager, Procurement, 902.490.4200

Report Approved by: _____
Dave Reage, Acting Director, Halifax Transit, 902.490.5138

Report Approved by: _____
Peter Stickings, Acting Director, Operations Support, 902.490.1729

Original Signed