



City of
Peterborough

To: **Members of the General Committee**

From: **W. H. Jackson, Director of Utility Services**

Meeting Date: **April 23, 2018**

Subject: **Report USDIR18-006**
Pre-commitment of the 2019 Budget for the Supply and
Installation of a New Generator at the Peterborough
Operations Centre (Public Works Facility) and an Amendment
to an Agreement

Purpose

A report to recommend the pre-commitment of the 2019 Budget for the supply and installation of a new generator at the Peterborough Operations Centre (Public Works facility), an amendment to the agreement to do the work and to provide an overview of the project to date.

Recommendations

That Council approve the recommendations outlined in Report USDIR18-006, dated April 23, 2018 of the Director of Utility Services as follows:

- a) That the \$460,000.00 budget amount proposed for the 2019 Capital Budget for the supply and installation of a new generator at the Peterborough Operations Centre be pre-committed; and
- b) That the contract for T-19-17 with JR Certus Construction Co. Ltd., 81 Zenway Boulevard, Unit #3 – 2nd Floor, Vaughan, Ontario, L4H 0S5, for the construction of the Peterborough Operations Centre (Public Works facility), be increased by \$450,000.00 from \$19,776,186.00 to \$20,226,186.00 plus HST of \$2,629,404.18 for a total cost of \$22,855,590.18.

Budget and Financial Implications

The cost for the generator of \$457,920 net of the HST rebate will be funded by the \$460,000 included in the 2019 Facilities Management Division Budget. Pre-approval of these funds will allow the generator to be purchased and installed in preparation for completion of the project.

Background

Tender T-19-17 for the construction of the Peterborough Operations Centre closed on April 13, 2017 and was awarded by Council on July 31, 2017 through Report CPPS17-027. As part of the original tender award City staff met with the successful Bidder JR Certus Construction Co. Ltd. to reduce the overall tender amount and were successful in reducing the overall Tender price by \$2,081,814. This was done by changing the scope of work and removing some items that could be included in future Capital budgets as required. The changes in scope of work did not diminish the project and will achieve the goal of providing an accessible state of the art Peterborough Operations Centre to serve Peterborough.

This report has been prepared to add the required generator back into the project and to provide an overview of the project.

1. Supply and Installation of New Generator

One of the items removed from the original tender was the supply and installation of a new generator to back-up the entire maintenance facility and office building at a cost savings of \$641,789. The generator will be included in the 2019 Facilities Management Division Budget.

The current contract has a completion date of February 15, 2019, however, the work is two and a half months ahead of schedule and the contractor is working toward a completion date of November 30, 2018. Depending on the make and model of the generator, the necessary infrastructure (electrical and mechanical) to supply the generator may vary. Accordingly, it is prudent to order the generator now to ensure the infrastructure to match the generator is constructed as part of the existing work and not done as an add-on, causing the newly installed asphalt to be excavated.

Another aspect is that the generator must be operational for occupancy of the facilities to happen. Although occupancy can occur if other, not insignificant, Life Safety equipment is installed such as battery powered exit lighting etc., this additional Life Safety equipment will be redundant once the generator is installed at an estimated cost of \$175,000 and the additional requirement of monthly maintenance inspections and an annual operational test and inspection performed by an outside service contractor. Accordingly, it is appropriate to have the generator on site prior to occupancy to save throwaway costs especially when the generator is an integral part of the equipment needed to ensure the Public Works Division is operational 24/7, 365 days of the year.

The new cost of the generator is \$457,920 including net HST payable by the City. This is less than the original tendered price because current codes and technology have changed reducing the original price. If Council approves the pre-commitment of the budget, staff will immediately instruct the consultant to issue a Change Order to the contract for the generator.

2. Overview of Project

The previous section talked about the fact the project is ahead of schedule. The work has continued to progress ahead of schedule with no reduction in quality of materials or workmanship.

The site is in much better condition and much cleaner than it was before work commenced to construct the Operations Centre. Erosion and sediment control have been excellent which was a major concern prior to starting the construction.

The contractor has successfully overcome a number of challenges related to both the site and the buildings that were on the site. Some of these challenges such as:

- Contaminated soil;
- Additional soil and drainage issues on site;
- The roof structure on the office building; and
- The condition of the existing structural steel in the maintenance building

have resulted in increased costs to the project.

Staff is critically examining these additional costs and funding sources and will report back to Council as soon as is practical.

Summary

If Council accepts the recommendations, staff will proceed immediately to issue a change order for the new Generator to be funded from a pre-commitment from the 2019 Capital Budget and staff will report back to Council on the issue of increased costs including staff's efforts to reduce these costs.

Submitted by

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