Agenda - Executive Policy Committee – July 15, 2011

REPORTS

Item No. 5 Single Source Negotiations for Professional Consultant Services: Emergency Repair / Replacement of the Cooling Plant - 510 Main Street

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Executive Policy Committee authorize single source negotiations with AECOM Canada Inc. for Professional Consultant Services for Emergency Repair / Replacement of the Cooling Plant - 510 Main Street - Project No. 2011-026 in an amount not to exceed $263,000.00 plus GST and MRST, pursuant to the Materials Management Policy B4.1 (f) the compatibility of supply with existing services is the paramount consideration.

ADMINISTRATIVE REPORT

Title: Request for Approval for Single Source Negotiations for Professional Consultant Services: Emergency Repair / Replacement of the Cooling Plant - 510 Main Street - Project No. 2011-026

Critical Path: Executive Policy Committee

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Evenson	D. Joshi	M Ruta CFO	P Sheegl CAO

RECOMMENDATIONS

That the Executive Policy Committee authorize single source negotiations with AECOM Canada Inc. for Professional Consultant Services for Emergency Repair / Replacement of the Cooling Plant - 510 Main Street - Project No. 2011-026 in an amount not to exceed $263,000.00 plus GST and MRST, pursuant to the Materials Management Policy B4.1 (f) the compatibility of supply with existing services is the paramount consideration.

REASON FOR THE REPORT

As the total amount to be paid by the City for the proposed Consultant Service single source contract is estimated to exceed $100,000, authorization for the single source negotiation is required from the Executive Policy Committee pursuant to Administrative Standard FM-002.

IMPLICATIONS OF THE RECOMMENDATIONS

It has been determined that the existing chiller system at the 510 Main Street Complex requires replacement as it is anticipated that the existing system will not be able to provide mechanical cooling for the 2012 season.

Single-source award to AECOM Canada Inc. will permit substantial cost and project scheduling benefits to the City of Winnipeg as AECOM has:

- invested significant resources conducting the failure analysis and options for replacement of the existing system;
- the technical expertise and resources required to expedite the design of a replacement system in a very compressed time frame to meet a June 1, 2012 deadline for the new mechanical cooling system to be operational.

A loss of mechanical cooling would have an adverse impact on elected officials, members of the public and the Public Service.

Funding for this assignment will be provided within account # 554-524040-634202-271.

HISTORY

The cooling plant serving 510 Main Street Complex was replaced in 2003.

In the spring of 2010, one of the two water cooled chillers for 510 Main Street suffered a catastrophic failure and has remained out of service since that time. The remaining chiller unit has been cooling the building but has not operated reliably, and may have been damaged due to original design deficiencies.

A significant amount of time, money and energy were expended in 2010, and to date in 2011 to keep the remaining chiller operational.

Due to this recent experience with the remaining chiller, it is now likely that this remaining chiller will not be able to provide service for the 2012 cooling season, and as such both the Administration and Council Buildings in the 510 Main Complex may be without mechanical cooling capability.

The original intent was to deliver this project in two phases.

- Phase 1 was the failure analysis and corrective options.
- Phase 2 was to consist of design, drawings and the construction bid opportunity.

AECOM Canada Inc. has completed the failure investigation and has determined that the replacement of both the existing chillers is necessary due to the extensive damage on Chiller #2, and the expected failure of Chiller #1. The failure analysis indicates that failure occurred in a component within the chillers that cannot be serviced or accessed by the City of Winnipeg.

It is now apparent that the same consultant (AECOM) should deliver both phases of the project in order to deliver cooling to the 510 Main Street Complex by June 1, 2012. If a new consultant were engaged at this point, they would need to repeat the initial investigative work to verify the results. This would delay the delivery of the new cooling system into or beyond the 2012 cooling season and may leave the entire 510 Main Complex without mechanical cooling capability.

A loss of mechanical cooling would have an adverse impact on elected officials, members of the public and the Public Service.

The anticipated $263,000.00 for this consultant assignment provides a scope of work which will include preparation of design development drawings, construction documents and contract administration services for the removal of the existing failed system and the supply and installation of a new mechanical cooling system. The new system has to be operational by June 1, 2012.

FINANCIAL IMPACT

Financial Impact Statement **Date:** July 12, 2011

Project Name: **First Year of Program** **2011**

Request for Approval for Single Source Negotiations for Professional Consultant Services: Emergency Repair / Replacement of the Cooling Plant - 510 Main Street - Project No. 2011-026

	2011	2012	2013	2014	2015
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ 263,000	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ 263,000	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	263,000	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Expenditures consist of the $263,000 contract amount, which is inclusive of disbursements and contingency. Sufficient, appropriate budget is available within Muncipal Accommodations' 2011 operating accounts.

"Original Signed By"
Mike McGinn, CA
Manager of Finance

CONSULTATION

In preparing this report there was consultation with:

n/a

SUBMITTED BY

Department:	Planning, Property and Development
Division:	Municipal Accommodations
Prepared by:	Kristine Corbett
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