



REQUEST FOR DECISION

File # 1220-20

Report To: Mayor and Council
From: Director of Community Services
Presenter: Karin Carlson
Subject: Administration Report No. 0141/23
Chiller Plate Upgrades at Pomeroy Sport Centre - Sole Source
New Chiller Plates
Meeting: Regular Council
Meeting Date: 11 Dec 2023

RECOMMENDATION:

"THAT, Council authorizes staff to sole source the purchase and installation of required refrigeration chiller equipment at the Pomeroy Sport Centre to Yeti Refrigeration of Prince George, BC for \$159,431.02".

CAO'S COMMENTS:

The attached staff report details the justification for a sole source award well under the authorized budget for replacement chiller equipment at the Pomeroy Sport Centre.

ALTERNATIVE RECOMMENDATION:

**"THAT, Administration Report No. 143/23 - Chiller Plate Upgrades at Pomeroy Sport Centre - Sole Source New Chiller Plates be received,
AND FURTHER THAT, Council direct staff to go to a competitive invitation to tender as outlined in City Purchasing and Tendering Policy No. 22/22."**

OR

**"THAT, Chiller Plate Upgrades at Pomeroy Sport Centre - Sole Source New Chiller Plates be received,
AND FURTHER THAT, Council decline staffs' request to proceed to single source the purchase and installation of a new chiller for the Pomeroy Sport Centre."**

KEY ISSUES(S)/ CONCEPTS DEFINED:

There was a failure of the ice plant chiller plates at the Pomeroy Sport Centre in 2020. It was discovered through routine bi-annual brine sample testing and the testing results indicated there brine was mixed with the ammonia. Technical Safety BC was immediately notified and after extensive testing of the chiller plates, they determined there were hairline fractures in the plate welds. Their recommendation was that the chiller plates be replaced in all three chillers.

RELEVANT POLICY: City Purchasing and Tendering Policy No. 22/22

IMPLICATIONS OF RECOMMENDATION

COMPLIANCE WITH STRATEGIC PILLARS:

Vibrant Community – Invest in community safety, social, cultural, and recreational programs.

Economic Development – Enhance community economic development to provide opportunities and sustainability for Fort St. John.

Organizational Excellence – Provide a healthy workplace that is inclusive and builds on our diversity, engagement, and sense of community.

Managing Assets – Build and manage assets that support the current and future needs of the community.

COMPLIANCE WITH STRATEGIC PRIORITIES:

Provide an environment where the safety, health, and wellness of our employee is prioritized.

GENERAL:

There are three chillers in the ice plant at the Pomeroy Sport Centre. All three chillers will require the plates to be replaced. Thus far, the refrigeration contractor that does the plant maintenance at all three ice plants in Fort St. John has replaced the plates in two of three sets of chiller. This project will

complete the chiller upgrades at the Pomeroy Sport Centre.

ORGANIZATIONAL:

Staff is requesting authorization to sole source the purchase for two reasons:

1. Yeti Refrigeration is the contractor the City uses for the refrigeration plants at the PSC, Curling Club and NPA. This company is very familiar with the City plants. It makes sense to continue with a trusted and valued supplier. It makes good use of City resources to employ Yeti because they schedule trips to Fort St. John for service on a regular schedule for maintenance checks; they start the plants at a similar time each fall, shut down the plants each spring and summer maintenance can be scheduled for all the plants during one visit.

2. As part of the maintenance program, Yeti samples our brine two times per year to meet legislated requirements set out by the boiler branch of Technical Safety BC. When the samples came back that indicated there was the presence of ammonia in the brine, TSBC was informed and conducted a detailed investigation into the chiller plates. They determined that there were hairline fractures in the welds in the chiller plates. Yeti has been working very closely with TSBC to ensure the City is compliant with the regulations.

FINANCIAL:

Yeti Refrigeration has provided a quote for the purchase and installation of the new chiller at \$159,431.02. The tender is under the \$415,000 budget that was approved for this project as part of the 2023 capital budget.

Pricing

Equipment, labour installation \$151,839.07

Taxes \$7,591.95

Total price \$159,431.02

FOLLOW UP ACTION: With Council's authorization, staff will issue a purchase order to Yeti Refrigeration so the chiller can be ordered immediately. The current price has been quoted until December 31, 2023.

COMMUNITY CONSULTATION: n/a

COMMUNICATION: n/a

DEPARTMENTS CONSULTED ON THIS REPORT: Finance

Attachments:

- | **City Purchasing and Tendering Policy No. 22/22**
- | **Yeti Refrigeration Chiller and Installation Quote**

RESPECTFULLY SUBMITTED:

Karin Carlson, Director of Recreation and Leisure Services (Deleted)

30 Nov 2023

CITY PURCHASING AND TENDERING POLICY
Council Policy No. 22/22

POLICY:

It is the policy of City Council to require that the City receives the best available value for services, products and materials by providing an open and competitive process to meet the City's needs.

BACKGROUND:

The City is bound by the New West Partnership Trade Agreement (NWPTA) that requires fair and open tendering of procurement opportunities. Purchases over the thresholds of \$75,000 for goods and services and \$200,000 for construction projects are subject to NWPTA requirements of non-discrimination and transparency in procurement policies and practices.

GOAL:

It is the goal of this Policy to outline the conditions and processes for maintaining a 'Fair' and 'Open' Tendering and Purchasing Policy for the City.

GUIDING PRINCIPLES:

- Ensure a high level of accountability is maintained;
- Procure the necessary quality and quantity of goods and services in an efficient, timely and cost-effective manner, while maintaining the controls necessary for a public institution;
- Encourage an open non-discriminatory bidding process practicable for the acquisition of goods and services;
- Recognize the value of supporting local businesses wherever possible, subject to the terms and conditions of this policy;
- Ensure the maximum value of an acquisition is obtained by determining the total cost of performing the intended function over the lifetime of the task, including, but not be limited to: acquisition cost, training cost, maintenance cost, operating cost, quality of performance and environmental impact;
- Subject to all applicable City policies and bylaws, any specific provisions within the *Community Charter*, or other relevant legislation.
- Promote positive vendor relations, cultivated by informed and fair buying practices and strict maintenance of ethical standards.

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TYPES OF PURCHASING PROCESSES:

Due to the variety of goods and services procured by the City, as well as the various technical, supply market, risk and other factors to be considered, the City recognizes that different types of competitive process may be used at different times. Below is a high-level description of some of the most common purchasing processes used. The Department Director or Manager shall decide and approve the actual process(es) to be used for each procurement, based on best fit and in accordance with this purchasing and tendering policy.

Request for Proposals (RFP):

- Most often used for public competition processes above \$75,000.
- Often used when:
 - a 'need' is identified, but the exact method on how it will be achieved is unknown;
 - there is a desire to seek innovative / creative proposals to a proposed project;
 - the selection of the contractor / supplier is to be based on both price and non-price factors;
- Contract is typically awarded to the highest-ranked proponent.
- May or may not be legally binding irrevocable bid process.
- May involve negotiation of the final contract and shortlisted proponents. Note: any negotiation parameters should be addressed in the RFP document.

Invitation to Tender (ITT):

- Most often used for Public Competition Process construction projects, or equipment above \$75,000.
- Often used when:
 - The scope of the work / specifications are very detailed and completely defined; and
 - The selection of the contractor / supplier is to be based on price only.
- Contract is typically awarded to the lowest-priced quote which meets the requirements.
- Typically, a legally binding irrevocable bid process, with no negotiation element.
- Constructed Project ITTs are often based on a standard contract, e.g. CCDC, or MMCD.

Request for Quotation (RFQ):

- Most often used for Limited Bidding quote processes below \$75,000.
- Often used when:
 - The scope of work / specifications are detailed and defined; and
 - The selection of the contractor / supplier is to be based on price only.
- Contract is typically awarded to the lowest-priced quote which meets the requirements.
- Typically, not a legally binding irrevocable bid process. Often does not involve negotiation.

CITY PURCHASING AND TENDERING POLICY

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TYPES OF PURCHASING PROCESSES:

Pre-Qualification Process (Pre-Qual):

- Sometimes also referred to as a Request for Qualifications (RFQual).
- Often used for the Public Competition element, in order to screen or pre-qualify bidders prior to a second stage Limited Bidding ITT or RFP.
- Often includes minimum requirements or criteria that must be met.
- Often used to pre-qualify contractors based on experience or ability, prior to a 'lowest-price wins' ITT, in order to ensure quality of contractors.

Request for Information (RFI):

- Similar to a Pre-Qual, except an RFI is used to collect information and/or gauge interest in a project, rather than to pre-qualify.
- Another variant on this would be a Request for Expressions of Interest (RFEOI), where the primary purpose is to have contractors / suppliers express interest in bidding a project. That may also involve collecting certain information.
- May or may not be used as part of a Public Competition Process, depending on the terms of the RFI.

Notice of Intent (NOI):

- Sometimes used where the City intends to proceed with a Direct Award.
- The City may use a NOI to advertise its intention to Direct Award, plus details of the contractor, value and service / good. The public are invited to contract the City if they feel they should be given the opportunity to bid.
- Most often used where the procurement value is at the thresholds that require a Public Competition as per this purchasing and tendering policy.

Direct Award:

- Sometimes also referred to as "sole source" or "single source".
- Means a situation where the City awards a contract to a contractor / supplier without any competitive process.
- Should only be used where allowed under the Purchasing Policy.
- City staff should still employ analysis and negotiation, where applicable, to ensure best value.

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Council Policy No. 22/22

TYPES OF PURCHASING PROCESSES:

Purchase Orders (PO):

- City staff may sign purchase orders within their Authority limit along with their supervisor's signature.
- City staff may sign an invoice or cheque requisition associated with purchase orders within their authority limit, along with their supervisor's signature.
- Purchases under \$5,000 may be made, with approval, by selecting the best valued supplier using any reasonable procurement process at the purchaser's discretion.

Cooperative Purchasing Ventures:

- Savings likely to be achieved through purchasing Goods and Services jointly with other government bodies should be pursued when it is in the best interests of the City to do so. In such cases, the procedures set out with the Canoe Procurement Group of Canada will be followed and not the procedures set out in this policy.
- Where appropriate, City staff will seek to minimise the cost of procurement by using this collaborative purchasing arrangement.
- Where cooperative procurement arrangements are in place that have undergone competitive bidding processes that meets or exceeds the type of purchasing processes listed above, no further Bid process is Required.

POLICY OBJECTIVES:

1. The City will advertise public tenders or request for proposals for goods and services valued at more than \$75,000.
2. The City will obtain written quotations for goods and services estimated to exceed \$5,000, but not \$75,000.
3. The City Council will consider all tenders and request for proposals by resolution:
 - where the value of the tender or request for proposal exceeds \$250,000; or
 - where the value of the tender or request for proposal exceeds \$75,000 and the recommendation is not to award the tender or request for proposal; or
 - where the recommendation is not to award to the lowest tender or request for proposal; or
 - where sole sourcing of goods and services is being recommended.

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POLICY OBJECTIVES:

4. Where the value of the Tender or Request for Proposal is under \$250,000, the recommendation is to award to the lowest tendered price or request for proposal, and it is within the available budget dollars. When arriving at the lowest bid, consideration must be given to such matters as qualifications, quality, source of supply, availability and supplier's past performance. City Council will delegate by Bylaw to the Chief Administrative Officer or the designate authority to establish the necessary administration policy and procedure to give effect to this policy.
5. For the purposes of ensuring efficiency and effectiveness, the following exceptions to the normal procedure are authorized and the quotation and tender or request for proposal provisions of the Purchasing Policy do not apply when:
 - services and supplies are provided by utility companies on a monopoly basis; or
 - cooperative purchasing agreements are made with other agencies or levels of government; or
 - due to emergency, a situation exists which could adversely affect the life, health or convenience of citizens.
6. The City will select successful tenders or request for proposals based on the highest evaluated and fully qualified proponent who will demonstrate they can fulfill all conditions and performance requirements of the contract to the satisfaction of the City. The City will determine the successful proponent based on the evaluation of the total cost of performing the intended function over the lifetime of the task, including, but not limited to: acquisition costs, training costs, maintenance costs, operating costs, quality of performance, environmental impact and any other evaluation criteria identified in the tender or request for proposal document.
7. Suppliers and/or Contractors Performance:
 - a. If suppliers and / or contractors may be exposed to an actual, perceived or potential conflict of interest in relation to a particular purchase then provisions regarding conflicts of interest should be included in the applicable solicitation documents and/or contract documents.
 - b. A supplier/contractor may initiate a complaint if dissatisfied with the general procurement process or the application of the procedures in this policy. The supplier/contractor should initially contact the City contact person named in the solicitation document who may be able to provide information or clarification required to satisfy the concern. If that does not resolve the matter, the supplier/contractor may submit in writing the specific details and concerns and any action or review requested to the Director of Finance or Chief Financial Officer.

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POLICY OBJECTIVES:

- c. Suppliers/contractors may be disqualified when they indicate an inability or unwillingness to perform a contract in accordance with the terms and conditions or specifications.
 - d. Suppliers/contractors will be given reasonable notice of their non-performance and reasonable opportunity to respond.
 - e. Suppliers/contractors who fail to respond appropriately may be disqualified from providing goods and/or services to the City for a period of up to three (3) years.
 - f. The Chief Administrator Officer is responsible for approving supplier/contractor disqualifications. The Chief Administrator Officer will report all disqualifications to Council on a timely basis and seek Council's approval. City Council will be the final authority on the length of the disqualification period.
 - g. In cases where fraudulent activities to the detriment of the City are suspected of suppliers/contractors, purchasing from that supplier/contractor may be suspended pending further investigation. The City will consider all legal remedies against suppliers suspected of committing fraud to the detriment of the City. The final course of action will be determined by the Chief Administrator Officer in conjunction with advice from the City Solicitor; it may include legal recourse and permanent supplier/contractor disqualification. Council approval is required before legal recourse is sought or supplier permanent disqualification.
8. Any non-compliance to this policy must be reported to the Director of Finance and approved by both the Chief Financial Officer and the Chief Administrative Officer before proceeding. Using one of the exemptions listed in this policy is not considered non-compliance. A non-compliance would be any situation where staff wishes to deviate from this policy and the procedures outlined in the City's Purchasing Administration Procedure.
9. Employees are accountable to ensure that purchases are within budget and comply with applicable bylaws, policies, procedures and guidelines as well as any applicable provincial and federal legislation and regulations.



File No. 0340-50
Administration

CITY PURCHASING AND TENDERING POLICY
Council Policy No. 22/22

SPENDING THRESHOLDS:

Spending Thresholds	Pricing Support	Approval Required
Less than \$5,000	Low-value purchase (PO, 3 verbal Price checks, 3 verbal quotes)	Department Superintendent, Supervisor, or Manager
Between \$5,000 and \$24,999	Informal Quotation Request (3 written quotations, RFI)	Department Manager, or Director
\$25,000 to \$74,999	Formal Quotation Request (RFQ, RFP, Pre-Qual, RFI)	Department Director, or designate
\$75,000 and greater	Competitive Solicitation (RFP, ITT, Pre-Qual, NOI)	Council approval



From | **Yeti Refrigeration Inc.**
397 1 Avenue
Prince George BC V2L 2Y1
(250) 562-1160
GST# 730128493RT0001

Quote No. | **0001001**
Type | Upgrade
Prepared By | Byron Conroy
Created On | 11/01/2022
Valid Until | 12/31/2023

Quote For | **City of Fort St. John**
Pomeroy Sport Centre
9324 96 Street
Fort St. John BC V1J 6J8
(250) 785-4592

Description of Work

Replacement of stainless steel (SS) plate package on NHL Arenas chiller with 58 new Titanium, 0.6mm plates c/w NBRP Gaskets. Pricing includes all labour and materials to replace the entire plate package and restore the chiller to service.

Lead time for plate package is 20 weeks

Services to be completed

[Ammonia] Chiller - Compressor Room HE3 Plate and Frame Chiller Alfa Laval T20-MWFS 30111-96888

Replacement of NHL Arena Chiller Plates

Estimated Completion: 04/01/2024 to 04/30/2024

SUBTOTAL	\$151,839.07
TAX GST @ 5%	\$7,591.95
GRAND TOTAL	\$159,431.02

Terms and Conditions

Pricing Firm for 30 Days DOES NOT INCLUDE APPLICABLE TAX(S)

Freight included to site

Travel, and LOA included

All labour and materials included to complete scope of work as per specifications

Additional parts or labour required not covered in scope/specifications are not included

Line voltage electrical by others

Painting or patching repairs not included

Concrete cutting or coring not included

X-ray inspections of walls prior to cutting or coring not included

Asbestos or lead paint remediation not included

Delays due to material availability are beyond our control

Delivery to be determined for a mutually acceptable delivery date

This proposal is proprietary to Yeti Refrigeration Inc. (Yeti), and submitted confidentially for the sole purpose of evaluating our proposal for this particular project, and is provided in confidence and in trust.

By my signature below, I authorize work to begin and agree to pay the Grand Total according to the terms and conditions of this agreement.

Name: _____ Date: _____

Signature: _____