

THE CORPORATION OF THE TOWN OF GEORGINA

REPORT NO. CSD-2024-0019

**FOR THE CONSIDERATION OF
COUNCIL**

November 20, 2024

SUBJECT: Georgina Ice Palace Backup Generator Replacement

1. RECOMMENDATION:

- 1. That Council receive Report No. CSD-2024-0019 prepared by the Facilities Division, Community Services Department dated November 20, 2024 in regards to the provision of a new permanent back up generator at the Georgina Ice Palace.**
- 2. That Council approve the reallocation of \$260,000 from the approved Capital Project No 23-CI-CS-07 - Generator Overhaul Project at Georgina Ice Palace, to the supply and installation of a new backup generator at the Georgina Ice Palace.**
- 3. That Council amend the 2025 Proposed Budget by approving an additional \$190,000 of funding to provide a total budget of \$450,000 incl HST (\$260,000 + \$190,000) for the provision of a new backup generator installation at the Georgina Ice Palace.**
- 4. That Council approve the single source procurement process to permit the supply and installation of a new replacement generator, all associated and required work as well as all relevant professional services required to provide the installation of a new backup generator at the Georgina Ice Palace**
- 5. That Council authorize the Manager, Procurement Services, to execute all necessary documents, agreements and purchase orders in relation to the award of all aspects of the work required for the provision of the new back up generator installation.**

2. PURPOSE:

The purpose of this report is to obtain Council's approval for \$260,000 to be reallocated from the previously approved "Generator Overhaul" work (Capital Project 23-CI-CS-07), along with the approval of an additional \$190,000 of funds to provide for a total budget of \$450,000 incl. HST, for the provision (i.e. supply and install) of a new permanent backup generator at the Georgina Ice Palace.

On Oct 15th, 2024 the current backup generator failed and it became necessary to utilize a rental generator at the Georgina Ice Palace at the approximate rental rate of \$15,000 per month. As time is now of the essence to install a new generator, staff are requesting approval for any procurement related to this work to be done via the single sourcing process as outlined in the Town's Procurement Policy.

3. BACKGROUND:

In 2022 Council approved \$275,000 for the proposed overhaul of the backup generator at the Georgina Ice Palace. The Georgina Ice Palace also acts as an emergency shelter when and if required. As a result, a functional backup generator is critical at this location.

The Town retained RIMKUS Consulting Group to assess the state of the generator and provide advice as to the next steps for the anticipated overhaul. RIMKUS then provided an engineering report dated June 7, 2023. The report identified 18 deficiencies and items of non-compliance and recommended replacing the generator with a new self-contained generator set. In addition, RIMKUS advised that the Town should obtain an Operational Variance that is issued by the TSSA, to allow the continued use of the existing generator and to ensure that the system continues to operate safely.

The Town worked with MacNamara Fuels (holder of an Oil Burning Technician one license) to submit the Operational Variance application which was approved by the TSSA on Jan 3, 2024. This approval mandates that the Town will need to have the new generator in place and operational no later than Dec 31, 2026, as long as quarterly inspections are carried out to confirm that the generator may remain operational and that there are no hazard concerns for the duration of the variance. MacNamara Fuels has been carrying out the quarterly inspections, all of which have been issued with no concerns, and posted in the unit compartment for TSSA reference, if needed.

In parallel, in order to assess the potential for upgrading the generator the Town issued a RFT CSD2023-069 on May 30, 2023. Out of the ten contractors who attended the site meeting, only two respondents submitted bids and they both indicated that they would only provide a new generator and would not upgrade the existing given the extensive work and associated liability in providing the subsequent warranty. The responses as well as the prices submitted confirmed to staff that the provision of a new generator is the more cost-efficient way to proceed.

On October 15, 2024, as part of the regular weekly inspections on the generator that staff perform, it was discovered that the generator was not running properly and during operation it would produce thick black smoke. A rental unit at a cost of approximately \$500 per day or roughly \$15,000 per month was immediately secured, delivered and installed on site. Of note is that to date the generator's annual full load testing/inspection did not indicate or note any major problems either.

The Town's generator contractor, MGS Generator Systems (MGS), was brought in to investigate what had occurred with the generator. MGS determined that the existing generator was seriously compromised and that major repairs would be required. In addition, MGS noted that given the age and composition of the various components of the generator, there were no guarantees that the potentially costly repairs would guarantee that the unit could be properly repaired or that it would remain operational. As a result, the recommendation by MGS, and as agreed by staff, was to install a new generator.

In an effort to find the most expeditious route to securing a new generator, Town staff immediately reached out to their contacts and were able to find a generator supplier that by chance had a new generator of the correct kW size, that was one of twelve from a recent order that the purchaser no longer required. The current price of this available generator is very competitive with what staff know to be the cost of this size generator. The specifications of this generator are currently being assessed to confirm its suitability. Should this generator be acceptable and meet the required needs, and the Town were able to procure it via a single source process, it would save many months of manufacturing and delivery time as well as generator rental costs.

4. ANALYSIS:

In addition to the current assessment of the suitable generator mentioned earlier, staff have been engaging with the required consultants on a macro level in an effort to understand all the requirements that are associated with this particular new permanent generator installation. This has been done in order to determine the appropriate budget to complete the work as soon as possible.

In addition to the generator itself, there are many other items that come into play and are required such as, but not limited to: various professional services, replacement of old cabling, ancillary equipment, new or enhanced concrete pad, fencing around the unit to prevent tampering and vandalism to the exterior control panel, bollards at key locations, Ministry of Environment (MOE) applications as well as possible required enhancements based on their assessment, load testing and commissioning, etc.

If the approval to single source the required equipment and work is obtained, then it is anticipated that the rental generator would be required for four months (Oct, Nov, Dec and Jan). The budget should also contain an appropriate contingency.

5. RELATIONSHIP TO STRATEGIC PLAN:

Delivering service excellence

Creating a vibrant, healthy, and safe community for all

6. FINANCIAL AND BUDGETARY IMPACT:

The cost of this project is estimated to be \$450,000 (incl. HST) and will be funded by the previously approved budget of \$260,000 and an additional \$190,000 from the Facility Repair and Replacement Reserve. This project was planned to be a business case in the 2025 Proposed Budget, however, due to the urgency, it was determined to bring it forward as a separate report.

The budget of **\$450,000 incl HST** includes, but is not limited to:

- Cost of the new generator and subbase diesel storage tank
- Interim rental of a generator (4 months)
- Professional services: assessment, schematic design, inspections, etc.
- Labour and equipment for the installation, other necessary electrical equipment, ancillary requirements, testing and commissioning, fencing, bollards, spill kit solution, etc.
- Possible MOE required enhancements or changes, contingency.

7. PUBLIC CONSULTATION AND NOTICE REQUIREMENTS:

There is no statutory requirement to provide notice of this report.

8. CONCLUSION:

It is the recommendation of the Community Services Department, Facilities Division that Council approve the single source procurement process for all effort and work related to the provision of a new backup generator installation at the Georgian Ice Palace, and that Council approve the required estimated project budget of \$450,000 incl HST.

APPROVALS

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Recommended By:	Steve Lee-Young Director of Community Services, Community Services
Recommended By:	Rob Wheeler, CPA, CA Deputy CAO/ Treasurer, Office of the Deputy CAO
Approved By:	Ryan Cronsberry Chief Administrative Officer, Office of the CAO