

1. ROBERT O. PICKARD ENVIRONMENTAL CENTRE
COGENERATION FACILITY INSTALLATION: CONTRACT
MODIFICATION: CONTRACT NO. CS-6180
-

COMMITTEE RECOMMENDATION

That Council approve a modification to Contract CS-6180 with J.C. Sulpher Construction Ltd., Gloucester for the installation of Cogeneration equipment at the R.O. Pickard Environmental Centre, in the amount of \$85,000. This increase in contract authority will bring the total contract provision to \$1,336,260.57.

DOCUMENTATION:

1. Environment and Transportation Commissioner's report dated 12 May 98 is immediately attached.

REGIONAL MUNICIPALITY OF OTTAWA CARLETON
 MUNICIPALITÉ RÉGIONALE D'OTTAWA CARLETON

REPORT
RAPPORT

Our File/N/Réf. **50 19 -96-0012-V**
 Your File/V/Réf.

DATE 12 May 1998

TO/DEST. Co-ordinator
 Corporate Services and Economic Development Committee

FROM/EXP. Environment and Transportation Commissioner

SUBJECT/OBJET **ROBERT O. PICKARD ENVIRONMENTAL CENTRE**
 COGENERATION FACILITY INSTALLATION
 CONTRACT NO. CS-6180
 CONTRACT MODIFICATION

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee and Council approve a modification to Contract CS-6180 with J.C. Sulpher Construction Ltd., Gloucester for the installation of Cogeneration equipment at the R.O. Pickard Environmental Centre, in the amount of \$85,000. This increase in contract authority will bring the total contract provision to \$1,336,260.57.

BACKGROUND RATIONALE

The construction of a Cogeneration Facility at the R.O. Pickard Environmental Centre is now complete. With the exception of completing a few minor deficiencies, all that remains is to finalize the contracts with the various contractors. The original contract was approved in February 1997 for \$1,176,261. A subsequent increase for \$75,000 under department head delegated authority was approved in August 1997. This increase of \$85,000 bring the final contract total to \$1,336,260.

Contract CS-6180 with J.C. Sulpher was for the installation of the pre-purchased engine unit packages as well as the mechanical electrical and civil works required to make the facility operational.

During the course of the construction there were several problems encountered that necessitated additional work to the above noted contract. These included delays in the delivery of equipment from the engine supplier (costs to be recovered), modifications to the design to ensure optimum operation and work required to resolve design related issues that arose during construction. As a result, an additional authority of \$85,000 is required to completely settle all issues related to this contract. This requested increase in authority of \$85,000 will bring the total contract authority under Contract CS-6180 to \$1,336,260.57

CONSULTATION

Public consultation is not required.

EXPENDITURE JUSTIFICATION

A detailed economic analysis showed that the most cost effective use of the digester gas was to utilize it as fuel in a cogeneration facility to produce electrical power and hot water for plant processes and building heating. The expected \$600,000 in net annual cost savings justifies the \$4,772,000 capital investment and represents a substantial long-term savings to the Region of Ottawa-Carleton.

FINANCIAL STATEMENT

	\$
Approved Budget to Date	4,772,000
Total Paid and Committed	<u>(4,467,809)</u>
Balance Available	304,191
THIS REQUEST	<u>(85,000)</u>
Balance Remaining	<u>219,191,00</u>

Funds are provided in the Capital Budget, Account No. 932-42128, Robert O. Pickard Environmental Centre Digester Gas Cogeneration.

Approved by
M.J.E. Sheflin, P.Eng.

SF/jw

FINANCE DEPARTMENT COMMENT

Funds are available as indicated.

*Approved by C. Colaiacovo
on behalf of the Finance Commissioner*