



REPORT FOR ACTION

Contract Award – 2024-CON-VAR-D5010.10 Emergency Generators Replacement at 37 Queen St E (CP 26), 75 Holly St (CP 29), 2 Church St (CP 43)

Date: May 3, 2024

To: Board of Directors, Toronto Parking Authority

From: President, Toronto Parking Authority

Wards: Toronto Center (13), Toronto-St. Paul's (12), Spadina-Fort York (10)

SUMMARY

During the past two years, and consistent with our State of Good Repair (SOGR) strategy, the Toronto Parking Authority (TPA) has conducted comprehensive building condition assessments at all our properties. These surveys have identified urgent issues with our emergency generators at nine (9) locations. These generators, essential for powering fire and life safety systems, are mandated by the Ontario Building Code. Many of these generators are either non-functional or approaching the end of their service life, requiring significant upgrades to the generators and their associated infrastructure. To ensure compliance with both safety and regulatory requirements in the short term, TPA has rented generators as a stopgap at certain facilities. This temporary solution is no longer tenable.

The purpose of this paper is to seek the Board of Directors, Toronto Parking Authority authorization for replacement of emergency generators at three (3) locations, 37 Queen Street East (Car Park 26), 75 Holly Street (Car Park 29), 2 Church Street (Car Park 43) valued at \$2,778,800.00 in base scope, plus \$555,760.00 as a contingency allowance, totalling \$3,334,560.00 excluding Harmonized Sales Tax (HST).

TPA retained Arcadis Professional Services (Canada) Inc. on January 30, 2023, for consulting services to design repairs and replacement of emergency generators at five (5) of the nine (9) car park locations. The three car parks noted above were identified as requiring immediate action.

Based on the submission of a compliant bid, the bid price, ability to complete the work in the prescribed time, recent project history, and the conformance to tender requirements, TPA is recommending that the contract of work for 2024-CON-VAR-D5010.10 Emergency Generators Replacement at 37 Queen Street East (CP 26), 75 Holly Street (CP29), 2 Church Street (CP 43) be awarded to Ritestart Limited.

RECOMMENDATIONS

The President, Toronto Parking Authority recommends that:

The Toronto Parking Authority Board of Directors provide authority to the President, Toronto Parking Authority, to award the Emergency Generators Replacement at 37 Queen Street East (CP 26), 75 Holly Street (CP 29) and 2 Church Street (CP 43) for 2024-CON-VAR-D5010.10 to Ritestart Limited, having submitted the lowest compliant bid and meeting all specifications in conformance with the Construction Tender requirements, in the amount of \$2,778,800.00 in base scope, plus \$555,760.00 as a contingency allowance, totalling \$3,334,560.00 excluding Harmonized Sales Tax (HST).

FINANCIAL IMPACT

The amount to award the construction contract for the 2024-CON-VAR-D5010.10 Emergency Generators Replacement at 37 Queen Street East (CP 26), 75 Holly Street (CP 29), and 2 Church Street (CP 43) is \$2,778,800.00 in base scope, plus \$555,760.00 as a contingency allowance, being the sum total of \$3,334,560.00 excluding Harmonized Sales Tax (HST).

Funding for this work is available in the approved TPA 2024 Capital Budget, TPA908970-1, Internal Order 700429.

DECISION HISTORY

N/A

COMMENTS

In 2022, the Toronto Parking Authority (TPA) launched a comprehensive strategy to improve the state of good repair (SOGR) of our facilities and properties. This effort began with a thorough Building Condition Assessment (BCA) conducted for each property within the TPA's portfolio. The BCA provided management with a detailed understanding of emergency, urgent, and emerging issues at each facility. Notably, the assessment pinpointed the emergency generators as an urgent concern in nine (9) older parking garages.

These generators and their supporting infrastructure are either outdated or nearing the end of their service life, with one generator being over 70 years old and all powered by diesel fuel. In two (2) locations, the TPA has been renting temporary mobile generators. These older diesel generators are not only less efficient, but also require higher maintenance costs and produce more emissions. Furthermore, the existing infrastructure, including the generator rooms and ventilation systems, are no longer adequate nor compliant with current standards. In contrast, new natural gas generators are self-contained units that are more cost-effective, easier to maintain and emit fewer pollutants. Additionally, their supporting infrastructure is designed to ensure safe and efficient operation.

To address this problem the TPA has developed a staged program to replace the generators and improve the supporting infrastructure at all nine (9) locations. The purpose of this paper is to seek the Board of Directors, Toronto Parking Authority (TPA), authorization for replacement of emergency generators at the three (3) most urgent locations. The initial phase targets the garages at 37 Queen Street East (CP 26), 75 Holly Street (CP 29), and 2 Church Street (CP 43). The remaining seven (7) locations will be staged over the next 2 to 3 years.

The TPA retained Arcadis Professional Services (Canada) Inc. (Arcadis) on January 30, 2023. Arcadis's scope included design for replacement or repair of emergency generators, upgrades to all supporting infrastructure, provide tendering, permitting, and contract administration services.

TPA worked with Arcadis through the design process to develop a RFT package for construction services. The scope of work included disposing of non-operating emergency generators, installing new natural gas emergency generators, completing necessary mechanical and electrical work, conducting room upgrades to comply with the building code and fire codes. All this work was to be completed while maintaining garage operations.

Arcadia Consulting recommended that the Toronto Parking Authority (TPA) undertake the following enhancements or construction activities: Car Park 29 at 75 Holly Street, and Car Park 43 replace their end-of-life diesel emergency generators with more efficient natural gas generators, which will lower annual operational costs and minimize environmental impact. Car Park 26, remove a non-functioning redundant diesel generator and repair the existing one. Furthermore, the emergency generator rooms at all specified car parks will be upgraded to conform to current safety standards.

TPA completed a competitive procurement process, with the Request for Tender (RFT) package issued on MERX on March 15, 2024. We received three (3) bids received upon tender close on April 18, 2024. Each of the three (3) bids was compliant and evaluated by both TPA staff and Arcadis. The selection was guided by the fee quoted, adherence to submission requirements, and acceptance of the terms and conditions noted in the RFT. A summary of costs for the base scope can be seen in Table 1. Post-tender close, a letter of recommendation for contract award was provided by Arcadis. Management reviewed the recommendation and concurred with Arcadis' assessment.

Table 1: Summary of Bids Received (2024-CON-VAR-D5010.10 Emergency Generators Replacement at 37 Queen St E (CP 26), 75 Holly St (CP29), 2 Church St (CP 43))

Rank	Proponent	Base Bid (A)
1	Martinway Contracting Ltd.	\$ 2,768,900.00
2	Ritestart Limited	\$ 2,778,800.00
3	Duron Ontario Ltd.	\$ 3,514,350.00

The recommendation letter from Arcadis, coupled with our internal assessment, highlighted the following key points of differentiation:

- The difference between the two leading submissions from Martinway Contracting Ltd. and Ritestart Limited was 0.36 percent or \$9.9k.

However, Martinway Contracting Ltd. failed to disclose their total tender value on their initial bid submission. Furthermore, Martinway Contracting Ltd. did not respond to Arcadis's request to clarify their missing generator work cost for Car Park 26, putting TPA at financial risk with this item.

- Ritestart Limited provided project references that were specific to generator installation. Martinway did not.

In light of the above and based on the submission of a compliant bid, the bid price, relevance of sample projects provided, risk profile, and the conformance to tender requirements, TPA is recommending that the contract of work for 2024-CON-VAR-D5010.10 Emergency Generators Replacement at 37 Queen Street East (CP 26), 75 Holly Street (CP29), 2 Church Street (CP 43) be awarded to Ritestart Limited.

CONTACT

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SIGNATURE

W. Scott Collier, President
Toronto Parking Authority