

City of Mississauga
Corporate Report



<p>Date: May 19, 2023</p> <p>To: Chair and Members of General Committee</p>	<p>Originator's files:</p>
<p>From: Jodi Robillos, Commissioner of Community Services</p>	<p>Meeting date: June 7, 2023</p>

Subject

Request to Increase Contract Upset Limit with FVB Energy Inc.

Recommendation

That the Chief Procurement Officer or designate be authorized to execute a contract amendment and all ancillary documents to increase the value of the contract with FVB Energy Inc. (PRC002977) for consulting services related to District Energy (DE) in the Downtown from the original amount of \$235,060 (excluding taxes) to \$435,060 (excluding taxes) as outlined in the report dated May 19, 2023 entitled "Request to Increase Contract Update Limit with FVB Energy Inc." from the Commissioner of Community Services.

Executive Summary

- In December 2019, City Council approved the City's first comprehensive Climate Change Action Plan (CCAP). This plan, which includes 89 actions, is intended to help the City achieve ambitious mitigation and adaptation goals. Action 1-2 of the CCAP commits the City to "conducting a district energy feasibility study in the Downtown..."
- In 2021, the City retained FVB Energy Inc. (FVB) to conduct the feasibility study through a competitive bid process (Procurement No. PRC002977).
- In March 2023, FVB finalized the study, which has been provided to Council.
- The supplementary work builds on the study and will continue to lay the groundwork for district energy (DE) in the Downtown. Council is therefore requested to authorize an increase in the contract amount with FVB.

Background

In 2019, City of Mississauga Council approved the City's first comprehensive Climate Change Action Plan (CCAP). That plan includes 89 actions, which are intended to help the City achieve

ambitious mitigation and adaptation goals. Action 1-2 of the CCAP commits the City to “conducting a district energy feasibility study in the Downtown...”

In 2021, the City retained FVB Energy Inc. (FVB) to conduct the feasibility study through a competitive bid process (Procurement No. PRC002977). In March 2023, FVB finalized the study, which has been provided to Council.

Comments

In its report, FVB recommended a number of critical next steps to advance DE in the Downtown, including:

- **Immediately:** Explore the development of a City standard for new buildings to be “DE Ready” so that if DE in the Downtown moves forward, connecting the building will be feasible without having to complete a substantial retrofit to the building.
- **In the short term:** Further develop the Phase 1A design to further optimize the energy centre, distribution piping, and energy transfer station design, system costs, and coordination between this phase and the other DE phases.
- **In the short term:** Develop a detailed drawing of the DE corridor for municipal roads and rights of way so, when new developments are being considered, there is consideration for DE infrastructure.

The supplementary work builds on the feasibility study, addressing the critical next steps identified above and continuing to lay the groundwork for DE in the Downtown. Council is therefore requested to authorize an increase in the contract amount with FVB.

The recommendation in this report is made in accordance with Section 20 of the Procurement By-law 0013 for Contract Amendments, Interim Extensions Renewals & Terminations and in conjunction with Policy 03-06-12 for Contract Amendments and Termination. Policy 03-06-12 requires that, for amendments to increase the value of High Value Acquisition Contracts, Council approval is required under A(3) if the total value increases to the Original Contract is more than 20% of the Original contract value and more than \$100,000.

Financial Impact

The existing contract amount in PRC002977 and the proposed additional funds are summarized in the table below:

Original Contract Amount	Additional Funds	Revised Contract Amount
\$235,060	\$200,000	\$435,060

Capital budget PN 21282 District Energy Feasibility Study, together with PN 23282 District Energy Detailed Design Phase 1a for 3 Civic Precinct City Buildings, have sufficient funds available to accommodate the proposed increase to the contract. No additional funding is required.

Conclusion

An increase to the existing contract with FVB is required to move DE forward in the Downtown. The contract with FVB was established after a competitive process (PRC002977) and the project is sufficiently resourced to accommodate the additional work.



Jodi Robillos, Commissioner of Community Services

Prepared by: Teresa Chan, Environmental Outreach Supervisor