

TO: MAYOR & COUNCILLORS

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER

SUBJECT: CA - IPD DESIGN AND CONSTRUCTION TEAM - DISTRICT ENERGY PHASE 1

PURPOSE: To obtain Council approval to award a Contract Award (CA) for the selected Integrated Project Delivery (IPD) design team – ISL Engineering & Lands Services Ltd. and FVB Energy Inc. for the design of District Energy (DE) Phase 1 and procurement of the District Energy Utility Project.

RECOMMENDATION

THAT contract award to the IPD team for Phase 1 of the project for an estimated total design cost of \$7,606,985, including GST in the amount of \$362,238, as outlined in the report titled “CA – IPD Design and Construction Team – District Energy Phase 1” dated for April 15, 2024, be approved; and

THAT final payments to the IPD team – ISL Engineering & Lands Services Ltd. and FVB Energy Inc. will be milestones based on the achievement of the specific deliverables along the project timelines for this Phase 1 of the project.

1.0 POLICY SECTION

The City’s Procurement Policy requires that contracts for goods, services and construction with values over \$1,000,000 be approved by Council following a competitive procurement process.

2.0 BACKGROUND

Following a Request for Proposal #298-11-23 IPD Design Construction for District Energy one submission was received by the closing time on February 6, 2024. ISL Engineering & Land Services Ltd. and FVB Energy Inc. have met the RFP’s evaluation criteria with a high overall score, which is based on the project firm qualifications, project methodology, project management and resource availability.

City staff have reviewed the proposal and indicate the IPD design consultant team consisting of ISL Engineering & Lands Services Ltd. and FVB Energy Inc. has the personnel and experience to successfully complete the work under this contract. This recommendation is for the amount of \$7,606,985 including GST in the amount of \$362,238, based on provided unit rates and estimated costing for this Phase 1 of the project. Council can expect staff to seek approval for increases to this contract as the project progresses, future Phases of the project become ready for award, and the quality of work from these firms meets the City’s needs. The General Manager Lands and Facilities concurs with this recommendation.

The City is committed to climate action and developing a District Energy Utility (DEU) to serve the space heating and domestic hot water needs of buildings in South Burnaby. The City expects to see significant growth in the Metrotown and Edmonds areas over the next 40 years. This presents a significant opportunity for these areas to implement a District Energy System (DES).

At the September 11, 2023 Council meeting, Council adopted the Burnaby DE Policy following a four-month public engagement period. Implementation of the Burnaby DE Policy started on January 1, 2024 and to secure customers for the Burnaby DEU for the time when it be established and becomes operational.

The IPD Design team will provide immediate technical support and advise for the current and future developments in regards of building Energy Transfer Stations, assist with design of the Burnaby Distribution Piping System and Neighborhood Energy Centres, provide a technical expertise for road alignments and project phasing.

3.0 GENERAL INFORMATION

District energy is a versatile, proven technology used in cities across the world and is at the forefront of efforts to transition buildings to a low-carbon, sustainable future. The DEU will capture waste heat from the existing Waste-to-Energy (WTEF) Facility in Burnaby and transport it via piped hot water to provide clean thermal energy to residents and businesses. The project includes a Heat Recovery Centre located next to the WTEF that will recover heat from the existing facility, along with neighbourhood energy centres, energy transfer stations, and a distribution system (pipes connecting energy centres to customers). The project will provide an opportunity for enhancements and amenities for the adjacent park.

Completion of the DEU project will provide the City with GHG emission reductions.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The RFP#298-11-23 IPD Design and Construction Team – District Energy (Attachment 1) was publicly advertised. Upon closing, the City received a total of one submission.

5.0 FINANCIAL CONSIDERATIONS

Funding for this capital work is included in the 2024 – 2028 Financial Plan under Lands & Facilities – Civic Projects, District Energy with a budget of \$ 25,545,000. This contract award will be accommodated under WBS element: ENX.3268 (\$7,244,800).

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – RFP#298-11-23

REPORT CONTRIBUTORS

This report was prepared by Sonny Dherari, Senior Buyer, and reviewed by Sophan Lum, Senior Manager, Purchasing – Capital.


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Bid Details

<p>Bid Classification:</p> <p>Bid Type:</p> <p>Bid Number:</p> <p>Bid Name:</p> <p>Bid Status:</p> <p>Bid Closing Date:</p> <p>Question Deadline:</p> <p>Electronic Auctions:</p> <p>Language for Bid Submissions:</p> <p>Submission Type:</p> <p>Submission Address:</p> <p>Public Opening:</p> <p>Description:</p>	<p>Construction</p> <p>Request for Proposal</p> <p>298-11-23</p> <p>RFP IPD Design Construction Team - Burnaby District Energy System</p> <p>Closed</p> <p>Tue Feb 6, 2024 3:00 PM (PST)</p> <p>Tue Jan 30, 2024 12:00 PM (PST)</p> <p>Not Applicable</p> <p>English unless specified in the bid document</p> <p>Online Submissions Only</p> <p>Online Submissions Only</p> <p>No</p> <p>The purpose of this Request for Proposal ("RFP") is to invite Proposals from professional, qualified, and experienced firms to select a team including the Prime Consultant(s) and IPD facilitator for the Burnaby DES Integrated Project Delivery ("IPD") project. The Proponent will bring IPD expertise and complete understanding of IPD and lean methods to assist the City of Burnaby ("City") through the various phases of the project, as identified in this RFP.</p>
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