



MANAGEMENT REPORT

Date: April 8, 2024
To: Mayor and Council
From: Mark Hackett, Manager of Community Facilities
Report Number: COU24-038
Attachments: None

Title: Dufferin Lions Arena Cooling Tower Replacement

Objective: To provide Council with information and to authorize the replacement of the Cooling Tower at Dufferin Lions Arena from Cimco Refrigeration Inc. through the Canoe Purchasing Group of Canada.

Background: At the February 26, 2024 Council Meeting, Council approved the 2024 budget and the capital expenditure of \$125,000 for the replacement of the Cooling Tower at Dufferin Lions Arena.

A recent refrigeration equipment lifecycle report for the Dufferin Lions Arena identifies the cooling tower to be in critical condition and that the cooling tower has reached the useful life and is due for replacement.

The City of Stratford participates from time to time in procurement programs that are conducted by cooperative buying groups. The Canoe Procurement Group of Canada is a buying group through the Local Authority Service (LAS) and Association of Municipalities of Ontario (AMO) that helps municipalities purchase products and services that they regularly use at preferential pricing. Under the Canoe Procurement Group, municipalities can access high-quality, competitively priced good and services without having to formally issue tenders or RFPs themselves, as LAS has done much of the vetting.

Analysis: The Community Services Department staff utilized the Canoe Procurement Group of Canada to review the proposals and contacted approved vendors for the replacement of the cooling tower at Dufferin Lions Arena. The scores relating to pricing were very similar, though Cimco Refrigeration Inc. was the only supplier that was able to meet the timelines required by the City to ensure the replacement is completed before the start of the next ice season.

The pricing received was in the amount of \$124,422.25 plus HST. The City is entitled to a 100% HST rebate for expenses that relate to facilities that have taxable revenues meaning that the total submission cost received from Cimco Refrigeration is under the approved budget for the project.

In conjunction with the Purchasing Clerk, Community Services staff have reviewed the Canoe procurement program RFP and evaluation summary and have determined that they are compliant with the City of Stratford's purchasing policy.

Awarding the tender through the Canoe procurement program will expediate the replacement to ensure that the project is completed before the ice installation date at Dufferin Lions Arena and avoid any disruptions to the scheduled ice season start date.

Financial Implications:

Financial impact to current year operating budget:

The cost savings compared to budget is nominal (\$577.75) and will remain in the reserve fund R-R11-RECR for future capital expenditure requirements. There are no anticipated impacts to the operating budget.

Financial impact on future year operating budget:

Annual repairs and maintenance, as well as transfers to reserves for future replacement of the asset, will be included in future operating budgets and maintenance costs are expected to be significantly reduced over a 10-year forecast following the replacement of the cooling tower.

Link to asset management plan and strategy:

The new cooling tower is expected to have a useful life of approximately 15 years. Future transfers to reserve funds will need to reflect planned replacements over the period and at the end of useful life for this cooling tower, like all assets included in the asset management plan.

Alignment with Strategic Priorities:

Developing our Resources

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Alignment with One Planet Principles:

Health and Happiness

Encouraging active, social, meaningful lives to promote good health and wellbeing.

Staff Recommendation: THAT the supply and installation of a new cooling tower on the West roof of the Dufferin Lions Arena, from Cimco Refrigeration Inc. be accepted at a total cost of \$124,422.25, including HST;

AND THAT the purchase be funded, as budgeted, from the Recreation Capital Reserve Fund R-R11-RECR.

Prepared by: Mark Hackett, Manager of Community Facilities
Recommended by: Tim Wolfe, Director of Community Services
Joan Thomson, Chief Administrative Officer