

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON  
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT  
RAPPORT

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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**

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### **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

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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*