

Subject: Information Update - Building Modernization and Energy Saving Collaboration

Department: Corporate Services

Division: CPS

Report #: CPS-2022-056

Meeting Date: 2022-08-08

Recommendations

That Council Report #CPS-2022-056, regarding an update on the ESCO procurement process, be received

Background and Analysis

On June 28, 2021, Council report 'CPS-2021-049 – Information Update – Building Modernization and Energy Saving Collaboration' was brought forward to Council. The report indicated that the procurement process would begin to provision an Energy Management Services and Energy Performance Contract (EPC). The report also noted that only NRCAN qualified Energy Services Companies (ESCO) would be able to participate.

The EPC will be a “first-out performance contract”, under which the ESCO finances the project and receives all savings until the project costs are paid or until the payment period expires (whichever comes first). After payback period the model would be adjusted.

The procurement process has been a multi-staged competition with the following stages:

- Notice of Intent to Participate by qualified ESCO's
- Mandatory Site Visits
 - Three Town facilities were visited by participating Bidders from March 8-11, 2022. The facilities visited included: Town Hall, Alder Recreation Centre, Public Works Operations Centre
- Preliminary Proposals

- Dialogue Sessions
 - with up to the two top-ranked Bidders to discuss, clarify, and ensure a common understanding of the Town's expectations and the Bidder's preliminary proposal
- Final Proposals
- Contract negotiations and award

Town staff are currently working through the Dialogue sessions with the two top-ranked Bidders. A follow-up report will be brought forward to Council once the final Bidder has been selected with recommendations to proceed.

Strategic Alignment

Orangeville Forward – Strategic Plan

Priority Area: Municipal Service

Objective: Effective and efficient, respectful of cost and impact to the community

Sustainable Neighbourhood Action Plan

Theme: Energy and Climate change

Strategy: Encouraging emission reductions through energy efficiency, conservation and renewable energy generation

Notice Provisions

Not applicable.

Financial Impact

Incorporating renewable energy:

- Immediate-medium term capital investments staff estimate this to offset would include the following:
 1. Alder Recreation Centre RTU 8 Pool HVAC Unit replacement \$ 800,000
 2. Alder Recreation Centre Sustainable Refrigeration System \$ 2,000,000
 3. Town Hall HVAC Unit Replacements (\$60,000 per yr./5 yrs.) \$ 300,000

4. Theatre HVAC Unit Replacement –2021 \$ 125,000,with an additional \$100k
5. Town Hall HVAC Chiller Replacement-2022 \$ 20,000

- Vendor provides project management as it relates to:
 - Project financing. Vendors are required to submit competitive rates for both floating and 10-year fixed
 - Project pay-back period below 15 years, as in the project should pay for itself within that time frame

Respectfully submitted

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