



## COUNCIL REPORT

To: Mayor and Council

Date: October 21, 2025

From: Ron Bowles, Chief Administrative Officer

Subject: **Tender Award Request – Royal LePage Place Energy Retrofits**

Prepared by: Erin Goodwin, Facilities and Recreation Manager

Reviewed by: Patrick Pulak, General Manager of Operations

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### RECOMMENDATION:

**THAT** the Request for Proposal (RFP) for Royal LePage Place Energy Retrofits (the “Project”) in the amount of \$1,185,544 be awarded to Yeti Refrigeration Inc.;

**AND THAT** the Mayor and Corporate Officer be authorized to execute the agreements and contracts associated with the Project.

### STRATEGIC AREA(S) OF FOCUS

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

### BACKGROUND

“District of West Kelowna Delegation of Council Authority Bylaw 2010 No. 0101” (as amended) restricts the ability of the Mayor and Corporate Officer to execute agreements over \$250,000, as follows:

*Contracts to supply services or goods not to exceed an aggregate amount of \$75,000 per annum, subject to funding contained within an approved financial plan; and up to \$250,000 per annum, subject to funding contained within an approved financial plan and with the approval of the Chief Administrative Officer[.]*

Council approved a budget of \$1,400,000 for Royal LePage Place Energy Retrofits (the “Project”) as part of the 2025 Capital Budget. As staff are now ready to proceed with the Project, staff are seeking Council’s approval to award the contract to Yeti Refrigeration Inc, as well as authorization for the Mayor and Corporate Officer to execute the agreements and contracts associated with this project.

Fortis BC has partnered with the City to contribute incentives up to \$540,428 for the Project. The City's Corporate Climate Action Plan has an emission reduction target of 30% of 2021 emissions by 2030. This project will reduce corporate emissions by 17%.

The Project also will correct the need to replace a heat pump that failed in 2024.

## **DISCUSSION**

On April 22, 2025 Council approved the following budget for the Royal LePage Place Energy Retrofit project:

- Proposed Budget: \$1,400,000
- Total Incentives: \$540,428
- Net City Cost: \$859,572

Six compliant proposals were received by the City in response to the Request for Proposal. The submissions underwent a thorough review process conducted by a panel consisting of three evaluators: two City staff members and one external consultant. The evaluation was overseen and facilitated by the City's procurement team to ensure fairness and transparency.

As outlined in the Request for Proposal, the evaluation criteria were applied according to the weighted matrix below:

- Profile, Experience and Qualifications 20%
- Approach and Methodology 30%
- Pricing Proposal 50%

Through the evaluation process the following weighted scores were established:

<b>Company</b>	<b>Weighted Score</b>
Yeti Refrigeration Inc	91.00
Entity Mechanical Ltd	87.33
Emerald Green Mechanical Okanagan	84.67
Kal West Mechanical Systems	79.33
Sercon Refrigeration Ltd	70.33
Pacific Mechanical Systems Ltd	67.33

Highest ranked score for the Project was Yeti Refrigeration Inc with a cost of \$1,185,544 plus GST. The following items are not included in the RFP but are accounted for in the project budget and will be the responsibility of the City.

- Project Design
- Construction Management
- Contingency

## **FINANCIAL IMPLICATIONS**

There are no additional impacts to the approved 2025 Capital Budget.

Below are the estimated costs for the project:

Construction Contract:	\$1,185,544
Construction Design and Management Fees:	\$60,500
Contingency (11%):	\$153,956
<b>Total</b>	<b>\$1,400,000</b>

## COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
<b>September 9, 2025</b>	<p>THAT Council requests that each of the following RFPs come back to Council for approval:</p> <ul style="list-style-type: none"> <li>• Water Meters Supply;</li> <li>• Road Rehabilitation Program;</li> <li>• Heat Recovery Retrofit Royal LePage; and</li> <li>• Roof Replacement Firehall #33 and #34.</li> </ul>	<b>C201/25</b>
<b>April 22, 2025</b>	<p>THAT Council approve the following four (4) recommended energy retrofit projects for Royal LePage Place:</p> <ol style="list-style-type: none"> <li>1. ECM-2: Controls Optimization;</li> <li>2. ECM-4: Optimization of Dehumidifier Operation;</li> <li>3. ECM-5A: 100 Ton Heat Pump; and</li> <li>4. ECM-7: Desuperheater</li> </ol> <p>as identified in the report titled “Energy Retrofits Update – Royal LePage Place” from the Facilities and Recreation Manager, dated April 22, 2025;</p> <p>AND THAT the Mayor and Corporate Officer be authorized to execute the updated Fortis BC Implementation Letter dated March 13, 2025 to receive approximately \$540,428 for completing the four (4) energy retrofit projects;</p> <p>AND FURTHER THAT Council approve a budget amendment of an additional \$246,500, to increase the budget from \$1,153,260 to \$1,400,000, for the four (4) energy retrofit projects at a net cost of approximately \$859,572 to be funded through the finance strategy identified in this report.</p> <p>CARRIED UNANIMOUSLY</p>	<b>C092/25</b>

## **CONCLUSION**

Funding for the Royal LePage Place Energy Retrofits was previously considered and approved by Council as part of the 2025 Capital Budget. Staff are seeking Council's authorization to award the contract as identified in this report, and for the Mayor and Corporate Officer to execute the agreements and contracts associated with this project.

### **Alternate Recommendation:**

**THAT** the contract award of \$1,185,544 the Royal LePage Place Energy Retrofits, as previously allocated in the 2025 Capital Budget, be denied.

PowerPoint: Yes  No

## Summary of **Heat Recovery Retrofit, Royal LePage Place** Request for Proposals (RFP No. 2025-P042)

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**Issue Date:** August 14, 2025

**Submission Deadline:** September 23, 2025, 14:00 PM Local Time

### **Project Overview**

The City of West Kelowna is seeking qualified contractors to implement a series of energy conservation measures (ECMs) at Royal LePage Place and Jim Lind Arena. The goal is to upgrade aging mechanical systems to improve energy efficiency, reduce carbon emissions, and lower operational costs, while minimizing disruption to facility operations.

### **Scope of Work**

- **Mechanical Upgrades:**

- Modify boiler staging and dehumidification controls
- Replace the modular heat pump with a new 120-ton screw heat recovery chiller
- Insulate existing piping
- Install a desuperheater to preheat Zamboni hot water using waste heat from the refrigeration plant

- **General Contracting:**

- Demolition, rigging, installation of new equipment
- Concrete, roofing, wall repairs, seismic restraints
- Electrical wiring, testing, balancing, commissioning
- Operator training and overtime labour if required

### **Key Dates**

- **Site Visit:** August 21, 2025, 12:00 PM
- **Deadline for Questions:** September 16, 2025
- **Contract Award:** October 16, 2025
- **Substantial Completion:** September 30, 2026
- **Final Completion:** October 30, 2026
- **Warranty Ends:** October 30, 2027

### **Submission & Evaluation**

- Proposals must be submitted electronically via the City's bidding system.
- Proponents must be a single legal entity and registered as a plan taker.
- Evaluation is based on experience, methodology, and price (weighted: 20% experience, 30% methodology, 50% price).
- Mandatory requirements include WorkSafeBC clearance, certified trades, and proof of similar project experience.

### **Funding & Compliance**

- Project is partially funded by FortisBC's energy conservation incentive program.
- All ECMs must be fully operational by the substantial completion deadline.

### **Additional Information**

- The contract will use the CCDC2 2020 Stipulated Sum Agreement (with supplementary conditions).
- No system shutdowns allowed during regular hours; shutdowns must be scheduled and approved in advance.
- The City reserves the right to amend or cancel the RFP at any time.