



## COUNCIL REPORT

To: Paul Gipps, CAO

Date: March 23, 2021

From: Erin Goodwin, Facilities and Recreation Manager

Subject: **Ammonia Chiller Contract Award**

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### RECOMMENDATION

**THAT** Council approve the closure of Royal LePage Place between May 17 and August 1, 2021 to complete the construction associated with the Ammonia Chiller Replacement project; and

**THAT** Council approve the closure of Jim Lind Arena between May 17 and August 8, 2021 to complete the construction associated with the Ammonia Chiller Replacement project.

### BACKGROUND

In 2018, the Fernie BC ice rink had a catastrophic failure of its ammonia chiller which resulted in the death of three people. In response to this tragedy, Technical Safety BC (TSBC) mandated that all chillers be tested for possible deterioration and a replacement strategy for all chillers reaching the end of their lifespan be in place. The City of West Kelowna (CWK) existing chiller was installed in 1999. The anticipated lifespan for these chillers is approximately 20-25 years. As recommended by TSBC, the CWK's Preventative Maintenance Program requires annual testing of the ammonia plant which includes, but is not limited to the following:

- Brine PH levels to prevent corrosion.
- Pressure testing of the chiller to ensure there are no leaks.

These tests allow the CWK to continue to have confidence that the chiller is working in a safe, effective manner, while confirming there are no major structural issues.

Although the chiller has no major structural issues at this time, due to the age of the equipment and potential safety risk if the pressure vessel were to fail, staff is recommending replacing it.

Staff is proposing to replace the existing chiller with a new plate and frame system which is much smaller and the critical charge of ammonia in the system will be considerably less

and in turn will allow us to update the technology and add the extra level of safety for our community and staff.

<b>December</b>	<b>2020</b>	This project received early approval from Council.  The CWK applied for a grant through the Community Economic Recovery Infrastructure Program. If successful, the CWK could receive up to 100% funding for this project.
<b>January</b>	<b>2021</b>	Engineered drawings and specifications were created.
<b>February</b>	<b>2021</b>	Project contractor pre-qualification was completed. Three (3) contractors were shortlisted to bid on a future tender.
<b>March</b>	<b>2021</b>	The CWK announced that our grant application for the Community Economic Recovery Infrastructure Program was successful and the CWK will now receive 100% funding, up to \$442,200 for the project.  Tender closed and Cimco Refrigeration was low bid contractor.

**Project Timeline:**

**May 17 – August 8**

<i>Chiller Replacement:</i>	<i>May 17 – July 21</i>
<i>Ice Installation (JLA &amp; RLP)</i>	<i>July 21 – August 8</i>
<i>RLP Open to Public</i>	<i>August 2<sup>nd</sup></i>
<i>JLA Open to Public</i>	<i>August 9<sup>th</sup></i>

**FINANCIAL IMPLICATIONS**

During a typical year, the CWK will shut down the arena for annual maintenance for approximately 6 weeks, starting June 1<sup>st</sup>. To complete this project, the CWK will need to shut the arena down for an additional 4 weeks.

**Estimated lost revenue: \$30,000**

This projected revenue loss has already been calculated into the current revenue projections for 2021 budget. As a result, no further adjustments to revenue projections for the 2021 budget will be required.

**Project Cost: \$321,950**

Due to the successful grant application this project will be 100% funded, up to \$442,200 by the Community Economic Recovery Infrastructure Program, saving the CWK approximately \$321,950.

**REVIEWED BY**

Lisa Siavashi, Financial Services Manager/Deputy CFO

Shelley Schnitzler, Legislative Services Manager/Corporate Officer

**APPROVED FOR THE AGENDA BY**

Paul Gipps, CAO

Powerpoint: Yes ☒ No ☐