



Report to: General Committee

Report Date: June 2, 2014

SUBJECT:	Award of Tender 079-T-14 8100 Warden Data Centre Retrofit
PREPARED BY:	Jason Vasilaki, Project Manager, Ext. 2845 Leanne Lee, Senior Buyer, Ext. 2025

RECOMMENDATION:

- 1) **THAT** the report entitled “Award of Tender 079-T-14 8100 Warden Data Centre Retrofit” be received;
- 2) **AND THAT** the contract for the 8100 Warden Data Centre Retrofit be awarded to the lowest priced bidder, Climatemp Systems (2009) Ltd., in the amount of \$580,192.78 inclusive of HST impact;
- 3) **AND THAT** a contingency in the amount of \$58,019.28 (10%), inclusive of HST impact be established to cover any additional construction costs and that the Director of Asset Management be authorized to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy;
- 4) **AND THAT** the award be funded from the ITS Capital Account 049-6900-14083-005 “IT Disaster Recovery (Business Continuity)”;
- 5) **AND THAT** the funding shortfall in the amount of \$139,233.06 be funded from the appropriate surplus funds being returned from closed capital projects as identified in the report titled “Status of Capital Projects as of April 30th, 2014”;
- 6) **AND THAT** staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain the Council approval to award the construction tender 079-T-14 8100 Warden Data Centre Retrofit.

BACKGROUND:

The City’s primary data centre housing all corporate data and business systems is currently located at the Civic Centre. While its operation is protected by a short term uninterruptible power supply, it is not equipped with redundant power for ongoing operations in case of a power outage. In addition, if the current cooling system fails, it would lead to business interruption as the data centre will not be operational. In addition, as part of the requirement identified for reliable operation of the new Emergency Operations Centre (EOC), having the data centre running critical IT services co-located with the EOC removes dependency on network availability to operate during a disaster.

Staff have considered a number of options to address the business continuity requirement by having a reliable data centre with redundant power and cooling. However, the City facility 8100 Warden Avenue, which is already fully equipped with redundant power and a chilled water system provided by Markham District Energy Inc. (MDEI) is determined to be the most cost efficient to meet this need. An existing space within 8100 Warden Avenue, formerly used

as a data centre by Markham Hydro, will be renovated and transformed into a new data centre. This will serve as the City's primary data centre, enhancing its reliability in case of an emergency.

The existing data centre at the Civic Centre will remain operational and function as the City's back-up data centre.

The bid price includes renovation of an existing interior space at 8100 Warden Avenue and the addition of cooling, redundant cooling, electrical panels and an Uninterrupted Power Supply to the space.

BID INFORMATION:

Advertised	ETN
Bid closed on	May 29, 2014
Number picking up document	29
Number responding to bid	13

Detailed Pricing Information:

Supplier	Bid Price (Incl of HST)	Provisional Items* (Incl of HST)	Total
Climatemp Systems	\$ 535,721.63	\$ 44,471.16	\$ 580,192.78
M J Dixon Construction	\$ 543,398.40	\$ 59,580.48	\$ 602,978.88
Stracor Inc	\$ 588,574.75	\$ 84,861.73	\$ 673,436.49
R-Chad General Contracting	\$ 606,489.60	\$ 106,848.00	\$ 713,337.60
Frontier Group	\$ 609,542.40	\$ 72,554.88	\$ 682,097.28
Brown Daniels Associates	\$ 618,802.56	\$ 79,372.80	\$ 698,175.36
P&C General Contracting	\$ 633,860.96	\$ 33,141.20	\$ 667,002.16
ROM Contractors/Ross Clair Contractor	\$ 634,982.40	\$ 165,665.28	\$ 800,647.68
Onit Construction	\$ 644,269.02	\$ 78,640.13	\$ 722,909.15
A G Reat Construction	\$ 697,795.80	\$ 27,159.74	\$ 724,955.54
Cesaroni & Son Ltd.	\$ 715,372.80	\$ 34,755.01	\$ 750,127.81
Gimco Limited	\$ 736,742.40	\$ 54,187.20	\$ 790,929.60
Dontex Construction	\$ 763,563.28	\$ 65,510.04	\$ 829,073.32

* The provisional items includes fire suppression system for the data centre and a treatment that will prolong the life of the raised floor system Provisional item excluding Security Caging, sliding doors was excluded.

DISCUSSION:

The contract work will commence immediately with the ordering of long-lead delivery cooling equipment. Construction is expected to be completed throughout November, 2014 and the data centre operational by the end of 2014.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Staff recommend the contract for the 8100 Warden Data Centre Retrofit be awarded to Climatemp Systems (2009) Limited, in the total amount of \$638,212.06, inclusive of HST;

The following table summarizes the financial considerations for this report.

Original Budget for the Data Centre Retrofit	\$532,000.00	8100 Warden Data Centre Retrofit
Current Budget Available (A)	\$498,979.00	
Less: Cost of Award	\$580,192.78	} Awarded to Climatemp Systems (2009) Ltd. (079-T-14)
Less: Contingency (10%)	\$58,019.28	
Total Award Cost (B)	\$638,212.06	
Budget Short Fall (A-B)	(\$139,233.06)	*

Note: Figures above include HST impact.

The funding shortfall is due to the following: 1) the original budget estimate was developed in-house without expert advice on data-grade equipment/installation costs and market; 2) based on the site specific conditions, the eventual detailed design requirements identified that the existing power panels in the room were insufficient; and 3) the target reliability level requirements, which emerged during the design development phase, necessitated scope changes to fire suppression and cooling systems for redundancy and required the inclusion of provisional items.

The total project cost of \$638,212.06 will be funded from capital account 049-6900-14083-005 "IT Disaster Recovery (Business Continuity)". The shortfall of \$139,233.06 will be funded from the appropriate surplus funds being returned from closed capital projects as identified in the report titled "Status of Capital Projects as of April 30th, 2014".

HUMAN RESOURCES CONSIDERATIONS:

Not applicable.

ALIGNMENT WITH STRATEGIC CONSIDERATIONS:

Satisfies a requirement identified for Emergency Operations Centre (EOC).

BUSINESS UNITS CONSULTED AND AFFECTED:

Key business units have been consulted and will be involved in the development of the strategy.

RECOMMENDED BY:



Andy Taylor
Chief Administrative Officer



Brenda Librecz
Commissioner
Community and Fire Services



Trinela Cane
Commissioner
Corporate Services