



## REPORT

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**TO:** Mayor Bonnette and Members of Council

**FROM:** Johanna Amaya-Carvajal, Supervisor of Facility Capital Projects

**DATE:** May 2, 2022

**REPORT NO.:** RP-2022-0011

**SUBJECT:** Award of Purchase for Town Hall Dedicated Outdoor Air System (DOAS)

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### RECOMMENDATION:

THAT Report No. RP-2022-0011, dated May 2, 2022, for the Award of Purchase for Town Hall Dedicated Outdoor Air System (DOAS) be received;

AND FURTHER THAT Council approves of the award of Request for Tender T-067-22 to HTS Engineering Ltd, 735 South Service Road, Unit #4, Stoney Creek, ON L8E 5S7 in the amount of \$117,450.00 plus applicable tax;

AND FURTHER THAT the Senior Manager of Purchasing and Risk Management be authorized to issue a purchase order to HTS Engineering Ltd, 735 South Service Road, Unit #4, Stoney Creek, ON L8E 5S7 in the amount of \$117,450.00 plus applicable tax.

### KEY POINTS:

The following are key points for consideration with respect to this report:

- The new dedicated outdoor air system (DOAS) is an equipment replacement for the original make-up air unit (MUA) that is servicing the Town Hall.
- The DOAS has been tendered separately and in advance to respond to long lead times and supply chain challenges in securing this type of equipment.
- The Town received only one bid from a supplier. The bid from HTS Engineering is \$117,450.00 +HST and is within the expected amount projected in the budget.
- This new equipment is an integral part of the low carbon design approach to equipment replacement and will contribute significantly to the reduction of GHG emissions in the facility

## **BACKGROUND AND DISCUSSION:**

The Town Hall HVAC system is comprised of several pieces of equipment that provide heating, cooling, and ventilation to the facility. The major components of the system are the fifty-two heat pumps dispersed throughout the building and the make-up air (MUA) unit housed in the third-floor mechanical room. These pieces of equipment are at the end of their life cycle and were budgeted for replacement.

The Town has engaged McCallum Sather consultants to design and engineer the replacement systems for both the MUA and heat pumps to ensure a more energy efficient low carbon system that will be compatible with next phases of the project to achieve net zero within the facility. The MUA is to be replaced by a newly designed DOAS unit that will more efficiently heat and ventilate the Town Hall. During the pandemic staff addressed air quality in the Town Hall through regular testing and supplementary purification units. The new system employing upgraded filtration filters will further enhance these measures.

During design development for this project the consultants have identified that there are significant supply chain delays to be expected in acquiring major pieces of equipment. The DOAS unit that has been designed to replace the existing MUA is a major piece of HVAC equipment that has a 34–36 week lead time for delivery. To ensure that the Town could acquire and install this equipment before the end of the year, it was decided by staff to bid this equipment separately and in advance of a tender to engage a contractor to supply and install the equipment including replacement of the heat pumps.

Request for Tender T-067-22 was issued for the DOAS with nine (9) plan takers however only one (1) bid submission was received from HTS Engineering Ltd. According to the Purchasing Policy, Item 12 Reports, a Council Report is required if only one bid is received for a tender or proposal over one hundred thousand dollars (\$100,000). Because of the long lead time for the purchase of this unit, (34-36 weeks after receipt of a purchase order) staff are requesting approval to issue the purchase order and award to HTS Engineering Ltd.

## **STRATEGIC PLAN ALIGNMENT:**

This report aligns to the Town's Strategic plan recognizing the value to foster a healthy community that provides a clean environment and range of economic and social opportunities to ensure a superior quality of life in our community.

This report also identifies climate change and the environment as one of the Town's Strategic priorities.

## **RELATIONSHIP TO CLIMATE CHANGE:**

This report impacts and/or helps address climate change and the Town's Net Zero target through corporate energy savings.

The replacement of the existing gas fired makeup air unit with an electric dedicated outdoor air system with built in heat recovery, along with other components of the project is expected to result in 32 tCO<sub>2</sub>e of annual GHG savings. This is approximately a 47% reduction in Town hall's annual greenhouse gas emissions (GHG).

This project was originally identified through the Town Hall Low Carbon Design Brief which was conducted in 2020 to develop a 10-year plan to achieve net zero GHG emissions by 2030. More specifically, this project is the first step in the pre-selected Pathway 2, Stage 1 of the Low Carbon Design Brief.

#### **PUBLIC ENGAGEMENT:**

Public Engagement was not needed as this report is administrative in nature.

#### **INTERNAL CONSULTATION:**

The team consulted with staff from the Purchasing and Strategic Initiatives in the preparation of this report. The Senior Manager of Purchasing & Risk Management is in agreement with the recommendations.

#### **FINANCIAL IMPLICATIONS:**

This report will be funded through an existing approved budget source.

The funds for this project falls under ten(10) Bundled Mechanical & BAS Renovations projects for Town Hall that has a total combined budget of \$1,457,000.00. The remainder of these funds will be used for the hiring of a Contractor to install the new DOAS, the Building Automation System and to supply and install the 52 heat pumps.

Reviewed and approved by,

Simone Gourlay, Senior Manager of Purchasing and Risk Management

Stephen Hamilton, Manager of Facility Capital Projects

Warren Harris, Commissioner of Recreation and Parks

Chris Mills, Chief Administrative Officer