



TOWN OF  
**HALTON HILLS**  
*Working Together Working for You!*

## REPORT

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

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

**DATE:** July 4, 2022

**REPORT NO.:** RP-2022-0015

**SUBJECT:** Award of Contractor for Town Hall Bundled Mechanical Renovations Request for Tender T-083-22

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### RECOMMENDATION:

THAT Report No. RP-2022-0015, dated July 4, 2022, for the Award of Contractor for Town Hall Bundled Mechanical Renovations Request for Tender T-083-22 be received;

AND FURTHER THAT Council approve the award of Request for Tender T-083-22 to LCD Mechanical Inc. Ltd., 10557 Keele St Unit 8 Maple ON L6A 0J5 in the amount of \$1,447,331.00 plus applicable tax (or \$1,635,484.03 including tax);

AND FURTHER THAT Council authorize the Senior Manager of Purchasing and Risk Management to issue a purchase order to LCD Mechanical Inc. Ltd., 10557 Keele St Unit 8 Maple ON L6A 0J5 in the amount of \$1,447,331.00 plus applicable taxes for the supply and installation of the Bundled Mechanical Renovations at Town Hall;

AND FURTHER THAT Council authorize the Mayor and Clerk to execute the CCDC 2 Contract to LCD Mechanical Inc. Ltd., 10557 Keele St Unit 8 Maple ON L6A 0J5 in the amount of \$1,447,331.00 plus applicable taxes for the supply and installation of the Bundled Mechanical Renovations at Town Hall;

AND FURTHER THAT the project budget for 8400-02-1702 (the Town Hall Replace Heat Pumps) be increased by \$64,614 and funded by the Capital Replacement Reserve as set out in Report RP-2022-0015 .

## KEY POINTS:

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

- The Town hall's HVAC system is comprised of 52 Heat Pumps and Make-Up Air Handling Unit (MUA) and are original equipment. All are at their end of life and require replacement. Request for Tender (T-083-22) to replace all equipment was issued in May 2022.
- Staff recommending that the contract be awarded to LCD Mechanical at a cost of \$1,635,484.03 (including tax).
- The new HVAC equipment is necessary to maintain existing service levels within the facility and are an integral part of the low carbon design approach to equipment replacement contributing 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. These projects (i.e. Bundled mechanical renovation projects) include:

- 8400-02-1702 Town Hall Replace Heat Pumps
- 8400-02-1703 Town Hall MUA Replacement
- 8400-02-2001 Town Hall Air Handling Unit
- 8400-02-2201 TH Domestic Water Main Replace
- 8400-02-2210 TH LCDB Fittings and Equip

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.

Request for Tender T-083-22 was issued on May 10, 2022. The tender documents requested separate pricing for the building automation systems (BAS) scope of work. This was to provide the Town the flexibility to remove scope from the project should tendered submissions exceed available budget. Also included in this tender was a requirement to install and commission the Dedicated Outside Air System (DOAS) unit, which was pre-purchased through T-078-22 (approved through RP-2022-0011).

The RFT closed on June 9, 2022. Fifteen (15) companies downloaded the bid, and two (2) bids were received including costs for the BAS.

Vendor		Cost Including BAS	Cost Excluding BAS
LCD Mechanical Inc.	Maple ON	\$1,899,400.05	\$1,635,484.03

ANVI Services Ltd.	Vaughan ON	\$2,678,608.50	\$2,328,308.50
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Staff recommends the removal of the BAS scope of work to reduce project costs to \$1,635,484.03 (including HST) or \$1,472,804.03 (including non-recoverable HST). The Town Hall BAS system will be revisited as part of the BAS Enterprise Feasibility study that is proposed for the 2023 capital budget. That study will investigate the feasibility of adding BAS systems across all Town facilities. The study will also include Class D costing that will be integrated into the 10-year capital budget forecast. By implementing BAS as an enterprise approach, it will enable the Town to achieve a consistent and integrated Building Automation System (preferred by I.T). It will also support the Town with realizing economies of scale through consolidated procurement, installation, maintenance, and operation of the system when implemented.

### **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 ADMIN-2020-035 Low Carbon Design Brief for Town Hall.

### **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 has an immediate financial impact and requires a funding source.

The five (5) Bundled Mechanical Renovations projects for Town Hall that relates to this tender has a total budget of \$1,452,374 as noted in the following table:

	Budget	Financing	
		Canada Community Building (CCBF)	Capital Replacement Reserve
<b>Existing project budget</b>			
Bundled Mechanical Renovations projects	\$ 1,452,374	\$ 345,000	\$ 1,107,374
<b>Revised Project Budget</b>			
Equipment Replacement ( <i>per T-083-22</i> )	\$ 1,472,804		
Other costs (including contingency)	44,184		
Total	\$ 1,516,988	\$ 345,000	\$ 1,171,988
<b>Transfer (to)/from Reserves</b>	\$ 64,614	\$ -	\$ 64,614

The full tender is \$1,472,804.03 inclusive of applicable taxes (or \$1,447,331 before tax), resulting in a shortfall of \$64,614. Accordingly, one of the project budgets included in the bundle (i.e. 8400-02-1702) will be increased by \$64,614 and the additional funding will be financed from the Capital Replacement Reserve.

Reviewed and approved by,

Moya Jane Leighton, Town Treasurer and Director of Finance

Paul Damaso, Commissioner of Recreation and Parks

Chris Mills, Chief Administrative Officer