



The Corporation of the Town of Tecumseh

Community & Recreation Services

To: Mayor and Members of Council

From: Paul Anthony, Director Community & Recreation Services

Date to Council: May 24, 2022

Report Number: CRS-2022-13

Subject: Procurement of Two (2) HVAC Units at CADA Library

Recommendations

It is recommended:

That the cost proposal of \$48,183 (plus \$848 non-refundable HST) submitted by Trane Canada ULC for the supply and install of two (2) HVAC Units for the CADA Library located at 13675 St. Gregory's Road, **be approved**;

And that the project overage in the amount of \$5,031 **be funded** through the Buildings Lifecycle Reserve.

Background

At the February 8th, 2022 Regular Meeting of Council, funding was approved in the 2022 Municipal Buildings Capital Works Plan (RCM 25/22) and as set out in [Report CRS-2022-03](#) for \$44,000 to procure the replacement of two (2) HVAC units at the CADA Library:

CADA Library HVAC Unit Replacement	\$44,000
------------------------------------	----------

- The four (4) HVAC units at the library are at the end of their life expectancy and require replacement. This proposed project will allow for the replacement of two (2) units that are most senior among the units and which have also been identified as an immediate concern through inspections. The replacements will

enhance indoor air quality and lower energy consumption due to the higher efficiency of these new units. At this time, it is anticipated that the remaining two (2) units would be replaced in 2023.

Comments

Working in coordination with the Purchasing Officer and Financial Services, the use of a buying group was implemented as stipulated under section 3.12 of the Purchasing Policy #17 (RCM 263/21).

3.12 Cooperative Purchasing

- a) The Town may participate with other government agencies or public authorities in cooperative purchasing where it is in the best interests of the Town to do so and where the purposes, goals and objectives of this policy are complied with by such government agencies and public authorities.
- b) The policies of the government agencies or public authorities calling the cooperative Bid Solicitation are to be the accepted policy for that particular purchase.

The Town is a member of the Kinetic GPO buying group. One (1) vendor within this particular buying group offers the supply of HVAC Equipment and Services through the terms of the Standing Offer as governed per agreement RFSO18-07. Trane Canada ULC was contacted to provide a cost proposal for the supply and install of two (2) HVAC Units at the CADA Library respectively.

The proposal received was reviewed by the Manager Facilities and Energy Management along with the Director Community and Recreation Services.

In consideration of the proponent's cost, equipment efficiencies and its suitability, the proposal was determined to be acceptable given the connectivity with existing systems providing value added benefits.

The cost proposal submitted by Trane Canada ULC amounted to \$48,183 plus \$848 non-refundable HST for a total of \$49,031.

Project costs exceeding the budgeted amount are subject to material cost increases that have transpired since the onset of the capital budget submissions that occurred in December of 2021.

Given the noted overage of \$5,031, the total value amount marginally exceeds the threshold as per **4.4 Expenditures Exceeding Approved Budget Funding** under the Part IV – Requirement for Approved Funds under the Purchasing Policy:

The Department Director or delegate must seek Council approval when;

- (i) Regardless of which Bid Solicitation process is utilized, in the event the cost amount proposed for acceptance is higher than the Town Council approved budget for that expenditure and where the cost of a project is in excess of the greater of \$10,000 or 10% of the Council approved budget.

As a result of the procurement process and the supplementary information supporting the excess of project costs as provided, it is recommended that the supply and install of two (2) HVAC Units for the CADA Library be awarded to Trane Canada ULC in the amount of \$48,183 plus \$848 non-refundable HST for a total of \$49,031.

Consultations

Financial Services
Chief Administrative Officer

Financial Implications

The recommended expenditure exceeds the approved budget of \$44,000 by \$5,031. Administration recommends that the cost in excess of the approved budget be funded from the Building Lifecycle Reserve. Administration confirms that the Building Lifecycle Reserve has adequate funding to cover this request.

Link to Strategic Priorities

Applicable	2019-22 Strategic Priorities
<input checked="" type="checkbox"/>	Make the Town of Tecumseh an even better place to live, work and invest through a shared vision for our residents and newcomers.
<input checked="" type="checkbox"/>	Ensure that Tecumseh’s current and future growth is built upon the principles of sustainability and strategic decision-making.
<input type="checkbox"/>	Integrate the principles of health and wellness into all of Tecumseh’s plans and priorities.
<input checked="" type="checkbox"/>	Steward the Town’s “continuous improvement” approach to municipal service delivery to residents and businesses.
<input type="checkbox"/>	Demonstrate the Town’s leadership role in the community by promoting good governance and community engagement, by bringing together organizations serving the Town and the region to pursue common goals.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Daniel Wolicki
Manager Facilities & Energy Management

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Paul Anthony, RRFA
Director Community & Recreation Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
None	None