

Staff Report

Report To: City Council
Report From: Bradey Carbert, Manager of Corporate Services
Meeting Date: December 18, 2023
Report Code: CR-23-125
Subject: Award of RFT-23-011 – Tom Thomson Art Gallery AHU Replacements and BAS Upgrades

Recommendations:

THAT in consideration of Staff Report CR-23-125 respecting Award of Tender RFT-23-011 – Tom Thomson Art Gallery AHU Replacements and BAS Upgrades, City Council:

1. Awards the above noted Tender to Jayden's Mechanical Ltd., the lowest compliant bid received, for \$430,371.53, including the non-refundable allocation of HST; and
2. Directs staff to bring forward a by-law to authorize the Mayor and Clerk to execute the agreement

Highlights:

- The scope of work for this project combines three capital projects, including the replacement of two AHUs and the upgrades to the BAS system at the Tom Thomson Art Gallery (TTAG), into one coordinated project.
- AHU-1 and AHU-2 were installed in 2004 and are approaching the end of their life expectancies. AHU-1 has experienced significant malfunctions within the past two years.
- Project completion is estimated to be the end of March 2025.

Strategic Plan Alignment:

This report supports the delivery of Core Service.

Climate and Environmental Implications:

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by strengthening the resiliency of City infrastructure or services.

Previous Report/Authority:

None.

Background:

In accordance with the City's Procurement of Goods, Services, Construction, and Consulting Policy (By-law 2020-002), the award of all purchases above \$250,000 must be approved by Council.

This report has been drafted to provide Council with the necessary information to approve the Award of Tender RFT-23-011 – Tom Thomson Art Gallery AHU Replacements and BAS Upgrades. The capital detail sheets describing the project have been attached to this report.

Analysis:

The scope of work will include the supply, material, and labour to replace two existing air handling units (AHUs) and upgrade the existing building automation system (BAS) at the Tom Thomson Art Gallery.

The Art Gallery is served by four indoor air handling units with the building automation system that controls the basement and main entrance AHUs; the remaining units run on stand-alone controls. The capacity of the existing BAS is limited, and the expansion will provide additional temperature and humidity monitoring capabilities.

Repairs to AHU-1 have included short-term modifications to utilize existing equipment to support continued operation, which cannot occur for an extended period. In addition, any further repairs to the system will involve the purchase of used refrigerant that is no longer manufactured due to environmental concerns.

Due to the above mentioned concerns, the AHU-1 replacement and BAS expansion were approved in the 2022 budget at an initial value of \$125,000 combined. This budget was determined prior to the recognized impacts of recent supply chain shortages, and it has since doubled in both price and expected delivery times. AHU-2 was installed in 2004 and is included in the 2024 budget. Combining the replacement of the two AHUs and upgrades to the BAS system at one time will result in cost savings through mobilization and demobilization, along with a minimized impact on the TTAG operations.

The above-mentioned tender was posted in compliance with the City's Purchasing By-law on November 10, 2023, and closed on December 5, 2023, with six compliant bids received.

The bids received, including the non-refundable allocation of HST, are as follows:

Company Name	Bid Price
Jayden's Mechanical Ltd.	\$430,371.53
Montgomery Industrial Services	\$492,700.55
Wellington Plumbing & Heating Ltd.	\$710,590.08
Roberts Onsite Inc.	\$838,115.71
Sutherland Schultz Ltd.	\$929,730.24
Anvi Services Ltd.	\$1,216,032.00

The tender submission from Jayden's Mechanical Ltd. is the lowest compliant Bidder and is recommended for Tender Award by DEI Consulting Engineers and the City.

The construction period is estimated to be between mid-January and mid-March 2025. Internal work will be completed before and after this period to accommodate the relocation of the collection and to prepare for the spring 2025 programming. This timing is subject to the contractor finalizing a purchase order with an equipment supplier.

Financial Implications:

The approved budget for the project is \$380,000 with the combination of three capital projects (see attached Capital Budget Sheets).

Description	Approved Budget	Forecasted Requirements	Difference
Consultant	\$10,000	\$17,500	(\$7,500)
Construction	\$370,000	\$430,371	(\$60,371)
Total	\$380,000	\$430,371	(\$67,871)

The construction component of this project is anticipated to be over budget by \$67,871 based on the higher-than-anticipated consultant, construction, and material costs.

In addition to this, and not previously contemplated at the establishment of the original budget, is the need for art storage, as the current vault needs to be emptied for the replacement of the equipment. The cost of the storage racks is approximately \$35,000. This cost has been deemed more affordable than offsite storage as the storage racks can be repurposed in the building or for future expansion.

Staff reviewed the scope of work to determine if the Tender should be terminated due to the cost overage, but it is Staff's opinion that this approach will result in the further deterioration of the systems vital to the Gallery's operations and will have a negative impact on the collection.

The combined funding deficit for this project is estimated at approximately \$102,900. Staff recommends that the shortfall be funded from the deferral of the two window and door replacement projects, totaling \$40,000, with the remainder coming from the TTAG Art Collection Reserve.

Communication Strategy:

The above-noted tender was posted on the City's Bids & Tenders webpage on November 10, 2023, in compliance with the City's Purchasing By-law to be accessible to all potential bidders.

The project is anticipated to occur in 2025 due to the current supply market. The project team will communicate any impacts to the Tom Thomson Art Gallery during this period. Any programming changes will be communicated by the TTAG staff.

Consultation:

DEI Consulting Engineers

Aidan Ware, Director & Chief Curator - Art Gallery, Culture, Tourism

Community Services Department

Attachments:

Capital Budget Sheet – 22M.40 – TTAG AHU-1 Replacement

Capital Budget Sheet – 23M.40 – TTAG BAS Expansion

Capital Budget Sheet – 24M.28 – TTAG Air Handling Unit 2 Replacement

Recommended by:

Kate Allan, Director of Corporate Services

Bradey Carbert, Manager of Corporate Services

Submission approved by:

Tim Simmonds, City Manager

For more information on this report, please contact Bradey Carbert, Manager of Corporate Services, at bcarbert@owensound.ca or 519-376-4440 ext. 1240.