

The Corporation of the City of Kawartha Lakes

Council Report

Report Number PUR2020-008

Meeting Date: March 24, 2020

Title: Request to increase the value of the purchase order for the Complete Design, Construction Documents and Contract Administration for the HVAC System Replacement at City Hall from the preexisting approved budget.

Description: Award an increase in funds to the existing purchase order, from previously approved budget, on the original Single Source to +VG Architects for the Design, Construction documents and contract administration for the HVAC system replacement at City Hall, based upon the design development drawings previously obtained.

Ward Number: All

Author and Title: Krystina Cunnington, Buyer
Jocelyn Gill, Supervisor Capital Project Delivery

Recommendation(s):

That Report PUR2020-008, Request to increase the existing purchase order amount for the Design, Development of HVAC Systems at City Hall, be received;

That Council authorize value of single source procurement for consulting services from +VG Architects for the Design, Development of HVAC System at City Hall from \$77,750.00 to \$313,250.00; a total increase of \$235,500.00.

That upon approval, the Financial Services Division be authorized to amend the purchase order for the revised amount proposed.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

A capital project 953180102 has been approved as a multi-year project for the HVAC system replacement at 26 Francis Street known as City Hall. The project commenced in 2018 and has been approved as a multi-year through until 2022.

The project initiated in 2019 with a Single Source award to +VG Architects to complete an Upgrade Assessment and Feasibility Study of the existing HVAC, Lighting and Fire and Life Safety Systems in the facility. This was awarded to +VG Architects through our Request for Services Roster document.

In 2019 +VG Architects was attained with a single source through the Request for Services Roster for the complete Detailed Design for the entire HVAC project, but only Working Drawings and Construction Administration for the replacement of the cooling tower at City Hall to have expired equipment replaced to avoid high risk of failure. This Phase 1 work was based upon the need to have the expiring equipment replaced prior to failure, in the appropriate season. The original single source was approved for the amount of \$70,250.00 and a change order for the amount of \$7,500.00 for disbursements was included, for a total of \$77,750.00 including all fees and disbursements. This work was not able to proceed as only two quotes were received for the Request for Quotations, requiring council approval. Based on Council Meeting dates, it was not feasible to complete the work prior to winter weather.

In order to proceed with the project, additional services from +VG Architects are required for Phase 2 & 3. This work is in conjunction with the pre-existing work that was completed, but this component does not include time sensitive execution to the degree the previous award was based upon.

The City Hall Systems as a whole is past useful life, already experiencing high rate of major repair and at risk of significant system failure. It is important to proceed to complete the Design, Contract Documents and Construction Administration for the remaining components of the project. It is beneficial for the City to award to +VG Architects as they have already been awarded and completed contract documents for the first phase of the work. Numerous hours have been spent on site by the Prime Consultants and Sub Consultants, they have completed digital drawings and engineering work has been completed for design. Obtaining a new Prime Consultant for the remainder of the work would not prove to be cost effective as a result of this. In addition to this, it is mandatory that components of the work be completed during certain seasons throughout the year. If a new Prime Consultant was obtained, it would push the project behind as a formal quotation process would be required. We would be adding months through the procurement process, and then pushing the project back one full heating and one full cooling season. This poses concern as the

existing equipment is well passed its life expectancy and many regular repairs are being made to the equipment to keep it functioning. In order to proceed with this critical work, it is necessary to increase the existing single source purchase order by \$235,500.00 to complete the remaining phases which is within the pre-approved budget. This will bring the existing single source to a total value of \$313,250.00 which includes all fees and disbursements.

It is important to note, that this increase is still within the previously approved funding allotment for the project and requires no new dollars.

Rationale:

Staff recommend that Council approve the increase to the existing single source to +VG Architects by the amount of \$235,500.00 for the Design, Contract Documents & Contract Administration for the HVAC Systems at City Hall from the preapproved project budget.

Other Alternatives Considered:

No other alternatives are being considered as the City's Purchasing Policy allows for a single source when there is not alternative or substitute good exists that meets the specific of unique technical components.

Financial/Operation Impacts:

Project Number	Project Budget	Other Committed Funds *see below	Project Balance	Purchase Amount (excl. HST)	10% Contingency	HST Payable	Total Amount	Project Balance
953180102	\$1,090,000	\$230,257	\$859,743	\$235,500	\$23,550	\$4,715	\$263,765	\$595,979

*Other committed funds include pervious work completed and site works.

Upon completion of the work, the remaining surplus or deficit will be dealt with through a capital close report presented to Council by the Treasury Department in accordance with the Capital Close Policy.

Relationship of Recommendation(s) To The 2020 - 2023 Strategic Plan:

The City of Kawartha Lakes 2020-2023 Strategic Plan identifies its strategic priorities as the following:

- A Vibrant and Growing Economy
- An Exceptional Quality of Life

- A Healthy Environment
- Good Government

The Proposed Request for increase to the purchase order amount for the Complete Design and Construction Documents and Contract Administration for the HVAC System Replacement at City Hall implements the City's vision as outlined in the City of Kawartha Lakes Strategic Plan by supporting the Healthy Environment and Good Government strategic priorities which contributes to the health and safety of City Staff as well as helps to keep our municipal asset (City Hall) well maintained.

Consultations:

Junior Accountant
Procurement

Attachments:

Appendix A – Single Source +VG Architects



Appendix B – Fee Proposal No220027-3P



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Department Head: Craig Shanks, Director of Community Services