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**TO:** ACTING CITY MANAGER **DATE:** 2021 March 24

**FROM:** DIRECTOR FINANCE **FILE:** 5820-20  
*Tender #52-03/20*

**SUBJECT: CONTRACT INCREASE  
RCMP BUILDING HVAC UPGRADES**

**PURPOSE:** To obtain Council approval to award a contract increase for the RCMP Building HVAC upgrades.

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**RECOMMENDATION:**

1. **THAT** Council approve a contract increase to Just Mechanical for an estimated cost of \$326,985.67 including GST in the amount of \$15,570.75 as outlined in this report. Final payment will be based on the actual quantity of goods and services delivered and unit prices as submitted.

**REPORT**

In 2018, a mechanical review was conducted to determine the upgrade and replacement requirements for the heating, ventilation, and air conditioning (HVAC) system in the RCMP Building. In 2019 February, Council approved funding for the design and construction of two HVAC component replacements at the RCMP Building. In 2020, during the detailed design stage of the project, the scope was expanded to include a third component, variable refrigerant flow (VRF) equipment, which would be beneficial for providing optimal heating and cooling for the building.

On 2020 August 04, the City awarded a contract to Just Mechanical for a total cost of \$554,400 including GST in the amount of \$26,400.00. At that time, the City awarded only component 1 (replacement of HVAC unit AHU-MZ1) and component 2 (refurbishment of HVAC unit AHU-S1) based on the original tendered scope of work.

Since the award of the contract, there have been two change orders for \$129,384.23 including GST in the amount of \$6,161.15. The increase in budget for the third component of the HVAC replacement was included in the 2021 capital program. Additionally, funding was approved by Council earlier this year to include the third component as part of the project. As a result, this recommendation is for a contract increase for component 3, supply and installation of a VRF system, for a cost of \$326,985.67 including GST in the amount of \$15,570.75. City staff have negotiated with Just Mechanical to hold the same pricing on component 3, as was provided for component 1 and 2.

The estimated total contract value is \$1,010,769.90 including GST in the amount of \$48,131.90 and now requires Council approval in accordance with spend authority thresholds.

To: Acting City Manager  
From: Director Finance  
Re: Contract Increase  
RCMP Building HVAC Upgrades

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<b>Contract History</b>	<b>Term</b>	<b>Accumulative Total Amount (including GST)</b>
<b>Original Contract Award</b>	<b>2020 August</b>	<b>554,400.00</b>
Change Order #1	2020 October	82,514.33
Change Order #2	2021 February	46,869.90
<b>Change Orders #1-2</b>		<b>129,384.23</b>
<b>Change Order #3</b>	<b>Pending</b>	<b>326,985.67</b>
<b>TOTAL</b>		<b>\$ 1,010,769.90</b>

The Director Engineering concurs with the above recommendation.

Funding for this contract is included in the 2021 – 2025 Provisional Financial Plan under WBS element: ENX.0123 (\$311,500).



Noreen Kassam, CPA, CGA  
DIRECTOR FINANCE

NK:GC:RR / ew:md

Copied to: Director Engineering