



MEETING 2023 FEBRUARY 27

COUNCIL REPORT

TO: CHIEF ADMINISTRATIVE OFFICER **DATE:** 2023 February 13

FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER & CHIEF FINANCIAL OFFICER **FILE:** 5820-20
Reference: RFP #183-09/20

SUBJECT: **CONTRACT EXTENSION
HVAC SYSTEMS MAINTENANCE AND REPAIR SERVICES**

PURPOSE: To obtain Council approval for a three year contract extension for HVAC systems maintenance and repair services at various City-owned buildings.

RECOMMENDATION:

1. **THAT** Council approve a three year contract extension to Just Mechanical Ltd. for an estimated cost of \$2,340,450.00 including GST in the amount of \$111,450.00 as outlined in this report. Final payment will be based on the actual quantity of goods and services delivered and unit prices as proposed.

REPORT

On 2021 March 29, Council awarded a contract to Just Mechanical Ltd. for a total cost of \$1,449,000.00 including GST in the amount of \$69,000.00. The contract was for the period 2021 April 01 to 2023 March 31, with options of up to three individual one year extensions at the discretion of the City. The work of this contract is for HVAC systems maintenance and repair services and includes all necessary labour, materials, tools and equipment to maintain, repair and upgrade heating, ventilation, air conditioning (HVAC) equipment, related components, control systems and associated electrical and plumbing equipment at various City-owned buildings on a scheduled maintenance or an "as and when requested" basis.

This recommendation is for a three year contract extension effective 2023 April 01 to 2026 March 31 for an estimated value of \$2,340,450.00 including GST in the amount of \$111,450.00. Just Mechanical Ltd. has advised of an annual average price increase of 3% on hourly labour rates and on scheduled maintenance services due to increased labour and material costs, with rates remaining firm throughout the entire contract. The price increase on the overall contract is 9%. City staff have reviewed the proposed contract extension and believe it appropriately addresses the City's needs at a fair cost. The total estimated contract value is \$3,789,450.00 including GST in the amount of \$180,450.00.

To: Chief Administrative Officer
From: Deputy Chief Administrative Officer & Chief Financial Officer
Re: Contract Extension
HVAC Systems Maintenance and Repair Services
2023 February 27..... Page 2

Contract History	Date	Accumulative Total Change (including GST)
Original Contract Award	2021 March	\$ 1,449,000.00
Three Year Contract Extension	Pending	\$ 2,340,450.00
	TOTAL	\$ 3,789,450.00

Just Mechanical Ltd., has provided similar services in the past with a proven track record to the satisfaction of the City. Review by City staff indicates that Just Mechanical Ltd. has the necessary experience and personnel to successfully complete the work required under this contract. The General Manager Lands and Facilities concurs with this recommendation.

Funding for this capital and operating work will be provided in the 2023 – 2027 Financial Plan.



Noreen Kassam, CPA, CGA
DEPUTY CHIEF ADMINISTRATIVE OFFICER
& CHIEF FINANCIAL OFFICER

NK:BK:GC:RR/ Ik:kl

Copied to: General Manager Lands & Facilities
City Solicitor