

Report Procurement Division

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Report To:	PS Reports - CAO Approve Only
Report Number:	Procurement Division-012-24
Report Date:	August 23, 2024
Submitted By:	Mandy Chong, Manager, Procurement
Reviewed By:	Mary-Anne Dempster, CAO
File Number:	CL2024-31
Report Subject:	Dehumidification System Installation at the Diane Hamre Recreation Complex - Summer Recess Procedure (Purchasing By-Law 2021-077 S.61)

Recommendations:

It is respectfully recommended to the Chief Administrative Officer the following:

1. That contract CL2024-15 Diane Hamre Recreation Complex Dehumidification Equipment ([FSD-025-24](#)) be transferred to the low compliant bidder Bagli Brothers Ltd. O/A B&B Mechanical Services;
2. That Bagli Brothers Ltd. O/A B&B Mechanical Services with a total bid amount of \$1,185,615.06 (Net HST Rebate) being the lowest compliant bidder meeting all terms, conditions and specifications of tender CL2024-31 be awarded the contract for the replacement and installation of the dehumidification equipment at the Diane Hamre Recreation Complex, as required by the Community Services Division; and
3. That the total funds required for this project is \$1,277,384.26 (Net HST Rebate), which includes construction and equipment costs of \$1,185,615.06 (Net HST Rebate) and other related costs such as design, inspection, testing, contract administration and contingencies of \$91,769.20 (Net HST Rebate) be approved.

1. Background

- 1.1 The Community Services Division, with the Procurement Division, discussed the options available to the Municipality regarding the replacement of the dehumidification unit at the Diane Hamre Recreation Complex. Due to the long lead time required for the manufacturing of the equipment, and the need to align with the scheduled shutdown period of December 2024 for installation, it was determined to be in the best interest of the Municipality to pre-purchase the equipment and then transfer the contract to the General Contractor through a cash allowance once awarded. CIMA Canada Inc. prepared the equipment specifications, which the Community Services Division provided to the Procurement Division for issuance. Tender CL2024-15 was issued as a competitive tender call and awarded to HTS Mechanical. The tender documents included language stating, "The successful bidder will be responsible for the connection and commissioning of said equipment as a sub-contractor for the successful general contractor".
- 1.2 Tender specifications and drawings were prepared by CIMA Canada Inc and provided by the Community Services Division to the Procurement Services Division. The scope of work included the installation of the Dectron dehumidification equipment currently in production and complete mechanical work required at the Diane Hamre Recreation Complex. The specifications included transferring the pre-purchased equipment from HTS Mechanical to the successful bidder through a cash allowance.
- 1.3 Tender CL2024-31 was issued by the Procurement Services Division and advertised electronically on the Municipality's website.
- 1.4 Eighteen companies registered as official plan takers. The tender document included a mandatory site visit. Nine companies attended the mandatory site visit. Only those plan takers in attendance at the mandatory site visit were eligible to submit a bid.
- 1.5 The tender closed on July 30, 2024.

2. Analysis

- 2.1 Six submissions were received in response to the tender call. The bids were reviewed and tabulated by the Procurement Services Division (see attachment 1). All submissions were deemed compliant and forwarded to the Community Services Division for review and consideration.
- 2.2 After review and analysis of the bids by the Procurement Services Division and the Community Services Division, it was mutually agreed that the low bidder Bagli Brothers Ltd. O/A B&B Mechanical Services be recommended for the award of CL2024-31.

2.3 Bagli Brothers Ltd. O/A B&B Mechanical Services has not completed work for the Municipality in the past, references were checked and considered satisfactory.

3. Financial Considerations

3.1 The total funds required for this project is \$1,277,384.26 (Net HST Rebate), which includes construction and equipment costs of \$1,185,615.06 (Net HST Rebate) and other related costs such as design, inspection, testing, contract administration and contingencies of \$91,769.20 (Net HST Rebate), be drawn from the following account:

Description	Account Number	Amount
2024 DHRC – Dehumidification System	110-42-421-84244-7401	\$1,277,384.26

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Attachments:

Attachment 1 – Summary of Bid Results

Attachment 1 – Bid Summary

Municipality of Clarington

CL2024-31

Dehumidification System Installation at the Diane Hamre Recreation Complex

Bid Summary

Bidder	Total Bid Price (Including HST)	Total Bid Price (Net HST Rebate)
Bagli Brothers Ltd. O/A B&B Mechanical Services	\$1,316,573.33	\$1,185,615.06
NEED Design Build Inc.	1,412,500.00	1,272,000.00
Adamson and Dobbin Ltd.	1,449,790.00	1,305,580.80
Canadian Tech Air Systems	1,498,922.40	1,349,826.05
W. Mitchell & Son Mechanical Contractors Limited	1,585,134.39	1,427,462.62
S.I.G. Mechanical Services Limited	1,686,043.39	1,518,334.30