

Municipality of Chatham-Kent
Infrastructure and Engineering Services
Drainage, Asset and Waste Management
Information Report

To: Mayor and Members of Council

From: Tim Dick, C.E.T.
Director of Drainage, Asset and Waste Management

Date: January 31, 2018

Re: Emergency Purchase - Ductless HVAC Unit Replacement

This report is for the information of Council.

Background

A ductless HVAC unit uses compressed refrigerant to provide heating or cooling at the point of use, eliminating the need for forced air ducting.

A ceiling mounted ductless unit in the server room of the Health and Family Services Building was continually freezing and thawing, resulting in water dripping into the room. Concerns were expressed by the Information Technology department regarding the threat to the server towers located within the room. If water damage were to occur to the servers, repair and replacement costs could be in excess of \$110,000.00.

The site was attended by municipal maintenance staff, the Building Compliance Coordinator and a representative from Postma Heating and Cooling.

It was determined that the unit was at the end of its lifecycle (approximately 20 years old) and required immediate replacement to prevent potential water damage.

Postma Heating and Cooling was retained to complete the replacement at a cost of \$9,775.86 (HST included)

As a result of the quick action taken, no damages occurred.

Comments

The Procurement By-law # 3-2016 was adopted by Council on January 11, 2016. Section 119, "Exceptions to the Competitive Process" states:

"In the event of an Emergency requiring the purchase of Goods or Services to alleviate the Emergency, Goods and Services may be purchased by the most economical and expedient means, notwithstanding this By-law, as follows:

- a. Under \$100,000: SMT members have the authority to approve Emergency

Purchases under \$100,000.

- b. Between \$100,000 and \$200,000: EMT members have the authority to approve Emergency Purchases between \$100,000 and \$200,000.
- c. \$200,000 and above: the CAO has the authority to approve Emergency Purchases of \$200,000 and above.”

As soon as reasonably possible, and no later than three (3) months following the emergency, the authorizing Employee (SMT, EMT or CAO) shall prepare and submit an information report to Council describing;

The circumstances of the Emergency,

- a. The reason and necessity of purchasing the Goods or Services outside of the competitive process,
- b. The total purchase price,
- c. The name of the Supplier, and
- d. And other relevant details or information.

Consultation

The Director, Drainage, Asset and Waste Management, and Purchasing Officer were consulted prior to the purchase.

Financial Implications

The total project cost of \$9,775.86 (including HST) was paid from the 2017 Building Lifecycle budget.

Prepared by:

Reviewed by:

Tim Dick, C.E.T.
 Director,
 Drainage, Asset and Waste Management

Thomas Kelly, P. Eng., MBA
 General Manager
 Infrastructure and Engineering Services

Consulted and confirmed the content of the consultation section of the report by:

Jennifer Scherle,
 Purchasing Officer

Attachment: None

- c. Matt Torrence, Supervisor, Accounting Operation
- Jennifer Scherle, Purchasing Officer