



## STAFF REPORT ACTION REQUIRED

### Heating, Ventilation and Air-Conditioning Maintenance and Services – Award of Contract

**Date:** April 22, 2025

**To:** Toronto Public Library Board

**From:** City Librarian

#### SUMMARY

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The purpose of this report is to seek Toronto Public Library Board approval to award a contract to Smith & Long Mechanical Ltd. for heating, ventilation and air-conditioning (HVAC) maintenance and services.

The contract term is five years from June 1, 2025, to May 31, 2030, with five one-year optional extensions from June 1, 2030, to May 31, 2035. The total potential value of the commitment is \$17,171,059 excluding Harmonized Sales Tax (HST), inclusive of the base term plus the five one-year optional extensions. This contract is comprised of \$12,265,042 for HVAC maintenance and service at Toronto Public Library (TPL) branches and \$4,906,017 for ad-hoc repair, replacement, and advisory services.

The current HVAC maintenance and services contract was extended by the Board for one year from June 1, 2024, to May 31, 2025, to allow for the completion of the Request For Proposal (RFP). Smith & Long Mechanical Ltd.,

TPL's current service provider, is a Canadian company that operates across Canada, is familiar with TPL locations and equipment, and has provided satisfactory service over the years.

Following a comprehensive analysis of TPL's use of contracted HVAC services over the term of the previous contract, the scope of this contract was modified. It now includes operating HVAC equipment at specific TPL branches, maintenance and inspection of equipment at all TPL branches, ad hoc repair, upgrades and replacement of existing equipment, and advisory services on proposed systems as part of state-of-good repair programs, renovations and branch building projects.

## RECOMMENDATIONS

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### **The City Librarian recommends that the Toronto Public Library Board:**

1. award a contract to Smith & Long Mechanical Ltd. for heating, ventilation and air-conditioning maintenance and services for a total potential value of \$17,171,059 excluding Harmonized Sales Tax (HST), comprised of:
  - a. a five-year base term from June 1, 2025, to May 31, 2030, with a contract value of \$8,025,473; and
  - b. five one-year option renewal periods, subject to satisfactory performance and at the sole discretion of the City Librarian, for a total potential additional contract value of \$9,145,587, comprised of:
    - i) June 1, 2030, to May 31, 2031, for \$1,722,613
    - ii) June 1, 2031, to May 31, 2032, for \$1,774,291
    - iii) June 1, 2032, to May 31, 2033, for \$1,827,520
    - iv) June 1, 2033, to May 31, 2034, for \$1,882,346
    - v) June 1, 2034, to May 31, 2035, for \$1,938,816

## FINANCIAL IMPACT

The total potential value of the commitment to Smith & Long Mechanical Ltd. HVAC maintenance and services at TPL branches is \$17,171,059 excluding HST.

<b>Description</b>	<b>Cost for HVAC Maintenance and Services</b>	<b>Ad-hoc: Repair, Replacements, Advisory</b>	<b>Total</b>
Initial Contract – five-year base term for HVAC Maintenance and Services - June 1, 2025 – May 31, 2030	\$5,732,481	\$2,292,992	\$8,025,473
Option year 1 – June 1, 2030 – May 30, 2031	\$1,230,438	\$492,175	\$1,722,613
Option year 2 – June 1, 2031 – May 30, 2032	\$1,267,351	\$506,940	\$1,774,291
Option year 3 – June 1, 2032 – May 30, 2033	\$1,305,372	\$522,148	\$1,827,520
Option year 4 – June 1, 2033 – May 30, 2034	\$1,344,533	\$537,813	\$1,882,346
Option year 5 – June 1, 2034 – May 30, 2035	\$1,384,869	\$553,947	\$1,938,816
<b>Total</b>	<b>\$12,265,044</b>	<b>\$4,906,016</b>	<b>\$17,171,059</b>

The 2025 cost of the contract is \$919,587 and is included in the approved 2025 operating budget.

The new contract includes a year one (June 1, 2025, to May 31, 2026) commitment value of \$1,576,435, inclusive of ad-hoc repair, replacement and advisory services. A spend analysis of HVAC services and related costs was conducted covering 2023 and 2024. It demonstrated that average annual spend for these services over this period was aligned with the value of the new contract. This was inclusive of planned, as well as ad-hoc or unplanned, spending.

The Director, Finance & CFO has reviewed this financial impact statement and agrees with it.

## **ALIGNMENT WITH STRATEGIC PLAN**

TPL's Strategic Plan 2025-2029 prioritizes providing Torontonians with accessible, welcoming, inclusive, and beautiful spaces. In alignment with this commitment, it is essential to ensure that TPL's public spaces remain comfortable and safe for all visitors.

The proposed contract award will allow TPL to maintain standards of levels of comfort and air quality, ensuring that TPL customers can continue to enjoy well-maintained physical spaces where they can work, learn, relax, and come together as a community.

## **DECISION HISTORY**

At its meeting on March 25, 2024, the Library Board approved [Comprehensive Heating, Ventilation, Air-Conditioning and Chiller Maintenance Service – Extension of Contract](#), extending the contract for Smith & Long Mechanical Ltd. for a one-year period from June 1, 2024, to May 31, 2025, at a total value of \$791,162 excluding HST.

At its meeting on March 28, 2022, the Library Board approved [HVAC Chiller and Maintenance Service – Award of Contract](#), awarding a contract to Smith & Long Mechanical Ltd. for the period of June 1, 2022, to May 31, 2023, in the amount of \$1,322,023, excluding HST. With the addition of the requirement for new MERV filters and more frequent replacement, the value of the first contract renewal year increased and required Board approval.

At its meeting on September 27, 2021, the Library Board received for information the [Extended Authority Awards](#) report, where it was informed of the change to upgraded HVAC air filters from MERV 8 to MERV 13 and the increased frequency of filter changes for the period up to May 2022. This was done to maximize air filtration and help minimize the spread of COVID-19 in interior spaces. This was awarded through the extended authority of the City Librarian during the summer of 2021, in the amount of \$588,075, excluding HST.

At its meeting on April 29, 2019, the Library Board approved [Comprehensive Heating, Ventilation, Air-Conditioning and Chiller Maintenance Service – Award of Contract](#), awarding a contract to Smith & Long Mechanical Ltd. for a three-year contract with two optional one-year renewals. The total value of this contract over the term of the contract, including all option years, was \$3,392,566, excluding HST.

## COMMENTS

On November 27, 2024, the Library issued a public RFP for HVAC maintenance and services. The purpose of the RFP was to solicit the best overall proposal from a qualified HVAC service provider who could:

- Operate HVAC equipment at specific TPL branches (i.e. day to day operation of HVAC equipment, BAS monitoring, response to hot/cold calls)
- Maintain and inspect equipment at all TPL branches (i.e. filter changes, lubricating bearings, readings, pressure checks, air balancing, reporting)
- Repair, upgrade and replace existing equipment on an ad hoc basis
- Advise on proposed systems as part of state-of-good repair programs, renovations and branch building projects

The scope of the RFP was determined following a comprehensive analysis of TPL's use of contracted services over several years. Market scans, industry standards, and past RFPs for similar services were referenced from comparable municipalities, including the City of Toronto. Interviews with municipal stakeholders were conducted to leverage learnings through their current and past use of contracted HVAC service providers. TPL also completed a thorough inventory of all HVAC equipment with prescribed preventative maintenance regimes tailored for each asset category along with relevant operation and maintenance manuals, so proponents understood TPL's HVAC equipment to be maintained and serviced as part of this contract.

This analysis resulted in a broader scope than the prior contract of 2019 in terms of services and contract term. Expected benefits are avoiding or minimizing branch closures due to HVAC problems, staying ahead of equipment failures based on inspections and recommendations, and assurance that new HVAC systems are suitable and specified, engineered, and installed appropriately.

The RFP closed on January 28, 2025, and seven proponents submitted proposals. Each proposal was evaluated against the criteria in the RFP, including (but not limited to) relevant experience with portfolios of similar size, scope and complexity as TPL's; ability to provide sufficient and qualified staffing for the continuous delivery of service;

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technology and tools utilized for proper scheduling, reporting, resources management planning and emergency repairs; and cost of services. Smith & Long Mechanical Ltd. achieved the highest score through the RFP process, is the current provider of this service at TPL, is familiar with TPL sites and equipment and has provided satisfactory services over the term of the previous contract.

## **CONTACT**

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## **SIGNATURE**

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City Librarian