



Staff Report

Corporate & Financial Services – Facilities & Fleet

Report To: COW- Admin, Corp and Finance, SI, Comm. Services
Meeting Date: April 13, 2026
Report Number: CFS.26.023
Title: Facilities Capital Projects Status Update - 02
Prepared by: Phil Pesek, Manager of Facilities & Fleet

A. Recommendations

THAT Council receive Staff Report CFS.26.023, entitled “Facilities Capital Projects Status Update - 02”;

AND THAT Council approves the Single Source award for the design, tender and contract administration effort for the Roads and Drainage Facilities Expansion to Tatham Engineers for \$187,500.

B. Overview

This report provides Council with a status update on two key Facilities capital projects currently underway or in active planning. The projects and information addressed includes:

- Roads and Drainage Facilities Expansion (Hoffman Street and Ravenna Works Yards) – Single Source Request for Engineering
- Town Hall HVAC – Required reporting on Emergency repair costs as per the Purchasing Policy

The report also outlines 2026 capital budget details intended to address the highlighted projects.

C. Background

Roads and Drainage Facilities Expansion (Hoffman St. Site):

Tatham Engineers was previously retained through the Town’s Standing Offer for Engineering Support Services to complete detailed structural and building assessments of the existing Hoffman Trucking Depot. Additionally, they have been tasked with preparing complete IFT (issue for tender) documents for the existing facility renovation. To economize effort and reduce costs the Town would like Tatham to continue with the remaining site work which includes:

- Design of an additional accessory building for storage and protection of high value assets.
- Design of Fuel storage and dispensing system
- Site Plan design
- Tender phase assistance, contract administration and construction review

The remaining engineering work to finish this project is estimated to be \$187,500. The Town would like to single source this remaining work as Tatham Engineers has developed intimate knowledge of the site and the facility through previous and ongoing work. Additionally, by maintaining this working relationship we can better manage the project timeline as we have set a goal of Q4 2026 as the project completion date.

Total Spent to Date: \$5,106,198
Total Budget: \$8,561,000

Town Hall HVAC:

To provide absolute clarity the Town has broken this project down into three distinct categories below. The Town separated the work to ensure transparency throughout the project highlighting budgeted and non-budgeted (emergency) work.

- **Phase one recommissioning and upgrades**
 - complete

Total Spent: \$576,500
Total Budget: \$576,500

- **Emergency Repairs (unfunded pending insurance claim)**
 - Engineering - \$9,825 spent
 - Property Restoration - \$69,720 spent
 - Mechanical Restoration - \$16,319 spent

Total Spent: \$95,864
Total Budget: This was an emergency repair and therefore not budgeted, any remaining amount not covered by insurance (inclusive of deductible) will be funded through the Facility Asset Mgmt. Reserve Fund.

- **Phase two upgrades (2026 facilities capital)**
 - Engineering - \$28,818 spent
 - Contract services – not yet tendered remaining budget available - \$121,182

Phase two of the work will involve replacing all antiquated heat pumps and installing a new boiler system to support operations at the Town Hall facility.

Total Spent to Date: \$28,818
Total Budget: \$150,000

D. Analysis

Roads and Drainage Facilities Expansion:

The Town's Purchasing Policy (POL.COR.07.05) permits Single Sourcing as follows:

Single Sourcing is a method of procurement whereby there is more than one vendor able to supply and a purchase order is issued or contract awarded without a competitive bidding process.

Single Sourcing will be permitted if one or more of the following circumstances apply:

2. the compatibility of a purchase with existing equipment, product standards, facilities or service is a paramount consideration
6. a Roster for Professional Services has been developed
7. when competitive procurement may be found to be impractical

Single-sourcing the remaining work to Tatham Engineers is the most efficient and cost-effective approach, as they already possess detailed knowledge of the site and project, eliminating the need for onboarding or duplicated effort. Engaging a new consultant would introduce additional costs, potential design inconsistencies, and delays, whereas maintaining Tatham ensures continuity between the existing designs and the remaining site work. This approach also supports a more streamlined tendering and construction process, helping the Town stay on track to meet its Q4 2026 completion target while minimizing overall project risk.

Town Hall HVAC:

Phasing the Town Hall HVAC project is required to improve transparency by separating planned upgrades from emergency repairs. Phase one was completed on budget, while emergency repair costs reflect necessary work pending insurance recovery. Phase two will address long-term reliability through system upgrades, with engineering underway and budget remaining for construction. This approach allows the Town to address immediate needs while advancing planned capital improvements efficiently.

E. Strategic Priorities

1. Communication and Engagement

We will enhance communications and engagement between Town Staff, Town residents and stakeholders

2. Organizational Excellence

We will continually seek out ways to improve the internal organization of Town Staff and the management of Town assets.

F. Environmental Impacts

N/A

G. Financial Impacts

The financial impact of this report is due to the Emergency Repairs required at Town Hall for the failure of the HVAC system. It is noted that the amounts will be recoverable through the municipality's insurers and that any remainder will be funded from the Facilities Asset Replacement Reserve Fund. This reserve fund is expected to be in a deficit position of approximately (\$165,000) by the end of 2025. While annual contributions of approximately \$200,000 continue to be made to the reserve, planned facility capital requirements are currently outpacing (as noted in the Asset Management Plan) available funding, which is expected to further increase the deficit position in 2026. As a result, internal and/or external borrowing may be required in the short term to support priority facility projects.

H. In Consultation With

Vicky Bouwman, Supervisor of Accounting & Budgets
Serena Wilgress, Manager of Purchasing & Risk Management
Monica Quinlan, Director of Corporate & Financial Services / Treasurer

I. Public Engagement

Any comments regarding this report should be submitted to Phil Pesek, Manager of Facilities & Fleet facilitiesandfleet@thebluemountains.ca.

J. Attached

N/A

Respectfully submitted,

Phil Pesek,
Manager of Facilities & Fleet

For more information, please contact:
Phil Pesek,
Manager of Facilities & Fleet
facilitiesandfleet@thebluemountains.ca
519-599-3131 extension 270

Report Approval Details

Document Title:	CFS.26.023 Facilities Capital Projects Status Update - 02.docx
Attachments:	
Final Approval Date:	Apr 1, 2026

This report and all of its attachments were approved and signed as outlined below:

Phil Pesek - Apr 1, 2026 - 2:27 PM

Monica Quinlan - Apr 1, 2026 - 2:49 PM