



Report to: General Committee

Meeting Date: November 29, 2021

SUBJECT: Tender 066-T-21 Shade Structure and Rubberized Surface at Armadale Park

PREPARED BY: Raymond Law, Sr. Manager – Business, Fleet and Public Realm, Ext 4852
Melita Lee, Senior Buyer, Ext. 2239

RECOMMENDATION:

1. That the report entitled “Tender 066-T-21 Shade Structure and Rubberized Surface at Armadale Park” be received; and,
2. That the contract for Tender 066-T-21 Shade Structure & Rubberized Surface at Armadale Park be awarded to the lowest priced bidder, Landco Group Inc. in the amount of \$369,010.25, inclusive of HST; and,
3. That a 5% contingency in the amount of \$18,450.51 inclusive of HST, be established to cover any additional construction costs and that authorization to approve expending of the contingency amount up to the specified limit be in accordance with the Expenditure Control Policy; and,
4. That the estimated costs of \$387,460.77 (\$369,010.25 + \$18,450.51) be funded from accounts as listed in the Financial Considerations section with budget available of \$283,500.00; and,
5. That the budget shortfall in the amount of \$103,960.77 (\$387,460.77 - \$283,500.00) be funded from the Development Charges - City-Wide Soft Reserve in the amount of \$93,564.69 (90%) and Non-DC Growth in the amount of \$10,396.08 (10%); and further,
6. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to obtain Council approval to award the contract for the shade structure and rubberized surface at Armadale Park.

BACKGROUND:

The tender identified the scope of work included the supply and installation of a 40' x 60' shade structure. The foundation for the structural base shall be made of concrete and rebar footing design, complete with concrete paving slab. The slab will have a depression to accommodate rubberized tile exercise surface.

There is also an electrical coordination component to the project. The Contractor shall complete all the electrical work for this project including executing the electrical plan provided by the City's consultant and carry an allowance for a separate vendor, TELK, to

supply and install speakers and controllers into the structure, as well as completing the connection for audio on the interior of the community centre building. TELK has provided extensive electrical coordination for the Armadale Community Centre and Recreation staff requested the continuity of developing the system.

Armadale Community Centre has a seniors' group that use the outdoor space in front of the community centre to exercise. They have requested a place to exercise outside that is protected from the rain and the heat of the sun. This shade structure project was initiated as a way to address this need. Further, Recreation has made significant efforts to initiate outdoor exercise classes such as yoga in the park. This structure would provide reliable infrastructure to program the space for classes, camps and other outdoor activities and protected from both the sun and rain. The electrical integration of the project ensures there is a quality sound system that will become part of the overall sound system of the building, which will have the capacity to accommodate announcements for public and staff.

It is anticipated that work will be completed within one (1) month of the start date and anticipated to begin in spring 2022.

Tender Information (066-T-21)

Bid closed on	July 5, 2021
Number picking up bid document	12
Number responding to bid	5

066-T-21 Shade Structure & Rubberized Surface at Armadale Park - Pricing Summary

Bidder	Bid Price (Inclusive of HST)
Landco Group Inc.	\$386,075.40*

*Bids received in response to this Request for Tender exceeded the City's budget. As outlined in Section 17.2 of the City's General Terms and Conditions, "The City reserves the right, in its sole discretion, to be negotiated with the lowest priced bidder in the event that the Bid prices submitted by the bidder exceed the City's budget." Consequently, Procurement entered into negotiations with the low bidder (Landco Group Inc.) to reduce the City's budget shortfall. Staff were able to negotiate a price reduction, which resulted in a savings of \$17,065.15 (\$386,075.40 - \$369,010.25).

OPTIONS/ DISCUSSION:

The capital budgets for this project were approved as part of the 2016 and 2019 capital budgets respectively. However, commencement of this project has been delayed mainly due to staff resourcing issues, but work was underway in spring 2020, at which time the uncertainty surrounding the impacts of the pandemic forced the project to be temporarily put on hold. The long periods of closure of the City's recreational facilities resulting from the pandemic are contributing to a greater need for outdoor spaces, which can be used by the wider community and for various/alternative programming.

The pandemic has also had a significant impact on the prices of commodities and related logistics. The prices of metals such as steel and aluminum are continuing to increase with no certainty of when prices may stabilize.

FINANCIAL CONSIDERATIONS

Account Name	Account #	Budget Amount Allocated for this Purchase	Estimated Cost of Purchase	Contingency	Budget Remaining/ (Shortfall)
Growth Related Park Improvements	700-101-5399-16170	\$ 194,000.00	\$ 181,374.24	\$ 12,625.75	\$ 0.00
Growth Related Park Improvements	055-5350-19219-005	\$ 89,500.00	\$ 187,636.01	\$ 5,824.76	\$ (103,960.77)
Totals:		\$ 283,500.00	\$ 369,010.25	\$ 18,450.51	\$ (103,960.77)

Staff recommend that the budget shortfall in the amount of \$103,960.77 be funded from the Development Charges - City-Wide Soft Reserve in the amount of \$93,564.69 (90%) and Non-DC Growth in the amount of \$10,396.08 (10%).

In comparison to the Consultant's estimate, the shortfall can be attributed to the following factors:

- Increase in costs related to the shade structure (\$60,000);
- Suppliers' increase in costs related to the concrete footing and slab (20% more than originally estimated or \$15,960);
- Costs not included in the original budget estimate for mobilization, supply & installation of the drain, and supply & installation of the catch basin connection (\$10,300);
- Suppliers' increase in costs related to the supply and installation of pathways (\$1,500); and
- An overall increase in cost of commodities such as aluminum and steel (approximately 12% from August 2020 to August 2021 - Source: Bank of Canada Monthly Commodity Price Index).

OPERATING AND LIFE CYCLE BUDGET IMPACT

Replacement and rehabilitation of the shade structure, replacement of the rubberized surface and the electrical from the building will be added as part of the 2022 Life Cycle Reserve Study update. There is no incremental operating budget impact.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

This project aligns with providing Municipal Services as the shade structure will provide reliable infrastructure to program the space for classes, camps and other activities outdoors protecting from both the sun and the rain.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance and Recreation have reviewed and approved the report.

RECOMMENDED BY:

Alice Lam
Director, Operations

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

Not applicable