



Report to: General Committee

Meeting Date: November 29, 2021

SUBJECT: Tender 133-T-21 Milliken Mills Lobby Enhancement
PREPARED BY: Ryan Hanna, Facility Coordinator, Ext. 3776
Darius Chung, Senior Buyer, Ext. 2025

RECOMMENDATION:

- 1) That the report entitled “Tender 133-T-21 Milliken Mills Lobby Enhancement” be received; and,
- 2) That the contract for Tender 133-T-21 Milliken Mills Lobby Enhancement be awarded to the lowest priced bidder, Fina Construction Ltd. in the amount of \$540,128.05 inclusive of HST; and,
- 3) That a 8% contingency in the amount of \$43,210.24 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 capital cost of \$583,338.29 (\$540,128.05 + \$43,210.24) be funded from capital project GL account 500-101-5399-20139 – Milliken Mills Lobby Enhancement, as summarized in the Financial Considerations section, with budget available of \$306,940.00; and,
- 5) That the budget shortfall in the amount of \$276,398.29 (\$583,338.29 - \$306,940.00) be funded from the favourable budget available in the amount of \$102,678.00 for the sorter component under the same project and the remaining shortfall in the amount of \$173,720.29 from the Facility Ramp Up Reserve Contingency, with a current balance of \$28,686,848; 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 Milliken Mills Lobby Enhancement.

BACKGROUND:

The purpose of the Milliken Mills Lobby Enhancement is to modernize the sorter technology at the Library while also adding visual and accessibility improvements to the lobby and pool viewing area.

The work includes demolishing the two public washrooms (adjacent to the Lobby) in the Library, and installing a Library sorter in the space, along with a single universal washroom. Some key features of the lobby enhancement consists of redesigning the main lobby area, replace existing quarry tile, painting the main lobby, replace library entrance

with accessible doors, update existing washrooms, and remodeling the pool viewing area to match the recently remodeled pool change rooms.
The work will be completed by March, 2022.

Tender Information (133-T-21)

Bid closed on	September 27, 2021
Number picking up bid document	20
Number responding to bid	7

133-T-21 Milliken Mills Lobby Enhancement - Pricing Summary

Lowest Priced Bidder	Bid Price (Inclusive of HST)
Fina Construction Ltd.	\$583,338.29*

*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 (Fina Construction Ltd.) to reduce the City's budget shortfall however, were unsuccessful in reducing the cost as there was no further opportunities for cost reduction.

OPTIONS/ DISCUSSION:

Features and amenities at the Milliken Mills Community Centre and Library were installed in 1989 and this project seeks to add accessibility and operational improvements to bring this older branch up to modern standards.

In June 2019, Recreation and Markham Public Library held discussions to explore and identify opportunities to enhance the lobby space and create efficiency improvements for staff. It was determined that a new sorter equipment would be of great benefit as it is proven to reduce the need for material handling by automating the process. In addition, it would align Milliken Mills Library with the same sorter technology utilized at Cornell, Markham Village, and Aaniin Library allowing for convenient and efficient automated return and check-in of library materials, resulting in shorter queues at the service desk and improved access to staff support.

The new sorter equipment would require the relocation of the existing washrooms and demolishing a wall between the new sorter room and existing staff workroom in order to accommodate the larger room requirement.

Internal peer review from Asset Management provided a rough cost estimate to procure and install a new sorter along with remodeling the space to accommodate the size which was valued at approximately \$500,000. On October 2019, budget submission for the Milliken Mills Lobby Enhancement was approved for a total of \$655,800.

FINANCIAL CONSIDERATIONS

The following table breaks out the allocated budget for the Library (Gas Tax funded) and Recreation (Life Cycle funded) portions of the 2020 Milliken Mills Lobby Enhancement project (20139):

Milliken Mills Lobby Enhancement (500-101-5399-20139)

Budget - Library (Gas Tax Funded)	\$	526,600.00
Budget - Recreation (Life Cycle Funded)	\$	70,500.00
Capital Contingency	\$	58,700.00
Total Project Budget	\$	655,800.00

Project Components	Project Budget (A)	Project Cost (B)	Budget Remaining (A) - (B)
1. Library Sorter	\$ 280,000.00	\$ 177,322.00	\$ 102,678.00
2. Construction	\$ 248,240.00	\$ 540,128.05	\$ (291,888.05)
3. Contingency	\$ 58,700.00	\$ 43,210.24	\$ 15,489.76
4. Consultant	\$ 68,860.00	\$ 68,860.00	\$ -
Total (*)	\$ 655,800.00	\$ 829,520.29	\$ (173,720.29)

*Costs are inclusive of HST (1.0176%)

Staff recommend that construction shortfall in the amount of \$291,888.05 be funded from the favourable library sorter and contingency components (\$102,678.00 + \$15,489.76) and that the remaining shortfall in the amount of \$173,720.29 be funded from the Facility Ramp Up Reserve Contingency, with a current balance of \$28,686,848.

In comparison to the initial project estimate, the shortfall can be attributed to the following unanticipated factors:

- Architectural scope changes to the pooling viewing area (lowering of platform);
- Due to building code requirements, the two washrooms are required to be relocated in order to create sufficient space for the sorter room;
- Increased material and logistics costs due to supply chain bottlenecks;
- 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

Not applicable.

HUMAN RESOURCES CONSIDERATIONS

Not applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Goal	Examples – How the Solution can Help Achieve the Goal
Exceptional Services by Exceptional People	Improves efficiency, time and resources needed to sort and organize materials.
Engaged, Diverse & Thriving City	Supports convenient and efficient circulation of library material and resources.
Safe & Sustainable Community	Supports consistent processing practices at all Markham Public Library branches.
Stewardship of Money & Resources	The contract supports responsible use of money and resources by choosing the most cost effective and comprehensive solution.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance, Recreation, and Markham Public Library were consulted in the preparation of this report and their comments have been included.

ENVIORNMENTAL CONSIDERATIONS

The existing sorter at Milliken Mills will be recycled.

RECOMMENDED BY:

Mary Creighton,
Director, Recreation Services

Morgan Jones
Commissioner, Community Services

ATTACHMENTS:

None