



Report to: Development Services Committee

Meeting Date: March 21, 2023

SUBJECT: 008-T-22 Celebration Park - Construction
PREPARED BY: Richard Fournier, Ext 2120
Rosemarie Patano, Ext 2990

RECOMMENDATION:

1. THAT the report entitled “008-T-22 Celebration Park - Construction” be received; and
2. THAT staff be authorized to award a contract to Rutherford Contracting Ltd, the lowest priced bidder, in the total amount of \$9,095,916.72 inclusive of HST; and,
3. THAT a contingency in the amount of \$545,755.00 (6%) inclusive of HST be established to cover any additional project costs be approved, and that authorization be granted to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy; and,
4. THAT the Urban Design Capital Administration Fee in the amount of \$867,750.46 be approved;
5. THAT the award, contingency and capital administration amounts in the total amount of \$10,509,422.18 be funded from capital project 21021 Celebration Park – Construction, GL account 081-5350-21021-005, which has an available budget of \$8,169,033.00; and,
6. THAT the shortfall of \$2,340,389.18 be funded from Development Charges (Parks Development); and further,
7. 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 approval to award the contract 008-T-22 Celebration Park - Construction.

BACKGROUND:

Celebration Park is located at 135 Karachi Drive and is a 6.45ha (16 acre) parcel of land located at the south east intersection of Kirkham Drive and Karachi Drive. The planning and design of this park has changed multiple times over the years with the first Community Information meetings taking place in 2012 as part of the previous South East Community Centre and Library Project.

The initial design in 2012 was to make a connection with the future Park and the proposed Community Centre. In 2014, another community consultation took place once the decision was made to move the Community Centre to 14th Avenue and Middlefield (now known as Aaniin Community Centre). The 2014 park design was updated to be a standalone park and not include a connection to a future Community Centre.

In 2017, the park design changed again from an active recreation oriented park with multiple soccer fields, to that of a place for celebration where residents can gather, celebrate, socialize and participate in festivals, concerts and other cultural events. The project was presented to General Committee on June 8, 2017 at which time staff received the endorsement in principle to advance the Celebration Park Draft Conceptual Master Plan.

Since 2017, multiple iterations of the Celebration Park Draft Conceptual Master Plan have been developed with the most current plan known as 2021 Updated Celebration Park Draft Conceptual Master Plan driven by the need to include recreational facilities identified in the Integrated Leisure Master Plan (ILMP). The Updated Celebration Park Draft Conceptual Master Plan which was endorsed by council on June 8, 2021 maintains the celebration elements in the park program (gathering and open space) with the inclusion of an irrigated lit cricket pitch.

The scope of work consists of the following:

- Irrigated Lit Cricket Field
- Celebration/ Gathering area/ Picnic area
- Outdoor Shade Pavilion
- Washroom Building/Pavilion
- Parking Lot(s)
- Walking Trail
- Cricket Batting Cages
- Junior/ Senior Playground
- Water Play
- Site Furniture
- Associated Landscape Works

The tender specified that the contractor shall complete cricket field, batting cages and one parking lot by Q2 2024 with the remainder of the park to be completed by August 2024.

OPTIONS / DISCUSSIONS:

The capital budget for this project was approved as part of the 2021 capital budget request. The Draft Conceptual Master Plan has been advanced over the summer 2021 and the project was presented to the public in September 2021. Staff had anticipated tendering the project in spring 2022, however, due to delays and ongoing change requirements by the Toronto Region Conservation Authority (TRCA) the project was not formally ready for tender until November 2022.

Staff was monitoring and updating the construction cost estimate throughout the design and tender development stages. The latest cost estimate prepared in summer 2022 showed anticipated cost of construction to be over budget due to the current hyperinflation environment, however, staff recommended that the tender be advanced to maintain the current schedule and the potential further uncertainties of hyperinflation. Staff have value engineered the current park design based on the required facilities and concluded that no further cost reductions were feasible without changing the park programming.

The tender for construction of this park has closed on December 15, 2022 with a total budget shortfall in the amount of \$2,340,389.18 (~28.65%) inclusive of the cost of award, 6% contingency, 9% internal project management fees and 1.0176% HST impact.

Upon completion of a bid analysis with the consulting landscape architect, cost attributed to the overall budget were mainly contributed by the unprecedented increase in market construction material costs and the uncertainty to further hyperinflation.

Staff recommend increasing the budget to allow this project to remain on schedule with substantial completion anticipated in Q3 2024. If reduction of current park programming is required, park completion will not be achieved until 2025 and potentially 2026 due to a potential park redesign based on facility reductions. Staff also caution the increase in professional consultants fees associated with the park redesign and further coordination with TRCA. It also should be noted that yearly increase in building construction costs and uncertainty regarding hyperinflation over the next few years will further increase the cost of construction if the project is to be redesigned and retendered in 2023.

It is also important to note that completion of the cricket field by May 1, 2024 is crucial for the City. The existing McCowan Cricket Grounds are scheduled for renovation in September 2023 and the City's Recreation department is reliant on the cricket field at Celebration Park to be available for the cricket user groups to use in 2024 while renovation is underway. If redesign of the project is required and substantial completion is delayed until 2025, a construction of the temporary cricket field may be required to accommodate user groups.

FINANCIAL CONSIDERATIONS

The award of the contract for Tender 008-T-22, in the amount of \$9,095,916.72 inclusive of HST, is to be awarded to Rutherford Contracting Ltd. The financial breakdown is as follows:

Project	Amount
Budget Available (21021-Celebration Park – Construction)	\$8,169,033.00
Award	\$9,095,916.72
Contingency (6%)	\$545,755.00
Capital Administration Fees	\$867,750.46
Total Capital Costs	\$10,509,422.18
Budget Shortfall	(2,340,389.18)*

* The shortfall of 2,340,389.18 to be funded from Development Charges (Parks Development).

In comparison to the Consultant's estimate, the shortfall can be attributed to all unit prices to be slightly underestimated with the following being the largest contributing factors:

- Hyperinflation in the market and the uncertainty of what 2023/24 will hold for materials, goods and manufactured facilities
 - Outdoor fitness equipment (31% more than originally estimated);
 - Site servicing works (27% more than originally estimated);
 - Washroom pavilion (25% more than originally estimated);
 - Costs related to site preparation, grading and earthwork (18% more than originally estimated);
 - Playground equipment (18% more than originally estimated);
 - Costs related to paving and hardscape works (16% more than originally estimated);
- An overall increase in cost of commodities such as fuel; (approximately 11% from November 2021 to November 2022 - Source: Statistics Canada).
- Timing of budget request in 2021 did not anticipate the financial market conditions that would develop in 2023.

A large component of the shortfall was due to TRCA's requirement to have two infiltration galleries, this was an increase of \$900k to the construction cost and was not included in the original budget.

Staff contacted the recommended bidder in an effort to mitigate a portion of the budget shortfall. Although some cost reduction opportunities were proposed, they were not viable solutions due to either the nominal amount of the discount or the significant impact the proposed changes would have on the current design (specifically park programming). With the cost review, it should also be noted that the lowest bidder is \$593,605.05 (or 6.53%) lower than the second lowest priced bidder.

In reviewing the options available and taking into consideration the most cost effective way to proceed with the project, staff recommend moving forward with the contract award in the full amount of \$9,095,916.72, without any further delay. In order to stay on schedule for construction substantial completion by Q3 of 2024.

OPERATING BUDGET AND LIFE CYCLE IMPACT

The incremental operating budget impact is estimated at \$62,797.20 (\$9,736/ha operating impact x 6.45ha) which will be included in the 2024 Operating budget, subject to Council approval. The Operations Department has reviewed the project and the future maintenance requirements. Future requirements for Celebration Park - Construction includes grass cutting, litter pick-up, garbage disposal and inspections.

Costs will be included in the Life Cycle Reserve Study at time of park assumption based on updated replacement cost for each amenity.

ENVIRONMENTAL CONSIDERATIONS:

Included Specification Section 01561 – Environmental Protection in the contract documents in order to meet or exceed regulatory environmental procedures during construction:

- Park grading is designed to minimize the amount of import and/or export of soils
- Plant materials (i.e., shrubs and trees are non-invasive and many of which are native species)

HUMAN RESOURCES CONSIDERATIONS

Not Applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not Applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

This report was jointly prepared by the Procurement, Planning & Urban Design Department. Finance Department for review and comment.

RECOMMENDED BY:

Giulio Cescato
Director, Planning & Urban Design

Arvin Prasad
Commissioner, Development Services