



Report to: General Committee

Meeting Date: October 8, 2024

SUBJECT: Award of Tender 196-T-24 - Courts Reconstruction -
Construction

PREPARED BY: Richard Fournier, Ext 2120
Rosemarie Patano, Ext 2990

RECOMMENDATION:

1. THAT the report entitled “Award of Tender 196-T-24 Courts Reconstruction - Construction” be received; and
2. THAT staff be authorized to award a contract to Bond Paving & Construction Inc., the lowest priced bidder, in the total amount of \$875,276.43 inclusive of HST; and,
3. THAT a contingency in the amount of \$87,527.64 (10%) inclusive of HST, 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 award and contingency in the total amount of \$962,804.07 be funded from the following:
 - Capital project 24205 - Tennis/Basketball Reconstruction Simonston / Robinson/Milliken Mills, which has an available budget of \$355,093.59;
 - Capital project 24208 – Tennis Fencing, which has an available budget of \$96,300.00;
 - Capital project 24204 – Tennis/Basketball Reconstruction Bayview Reservoir, which has an available budget of \$177,400.00;
 - Tennis club portion in the amount of \$157,462.41; and,
5. THAT the shortfall in the amount of \$176,548.07 (\$962,804.07 - \$355,093.59 - \$96,300 - \$177,400 - \$157,462.41) be funded from Non-DC Capital Contingency; and,
6. THAT all identified budget amounts be consolidated into project #24205 to facilitate the administration of this contract; and,
7. THAT this report be received by Council on October 9, 2024; and,
8. 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 for the courts reconstruction – construction activities at four parks noted in this report.

BACKGROUND:

As part of the Life Cycle replacement program, courts reconstruction – construction is currently required with a variety of site dependent work (basketball, tennis and tennis / pickle ball courts reconstruction project) for the following four parks:

Park No.	Park Name	Park Address
1	Milliken Mills Park	4375 14th Ave., Markham
2	Robinson Park	46 Robinson St., Markham
3	Bayview Reservoir Park	8127 Bayview Avenue, Markham
4	Simonston Park	15 Simonston Blvd, Markham

These assets are being replaced based on a condition assessment and current standard compliance requirements.

The scope of work includes the following:

- Demolition, salvaging, and removals;
- Site protection fencing;
- Tree protection fencing;
- Clearing and grubbing;
- Rough grading, excavation, and fill removal;
- New asphalt paving;
- New penetration asphalt paving;
- Acrylic colour surfacing;
- Tennis equipment supply and installation;
- Tennis divider net and posts supply and installation;
- Pickleball equipment supply and installation;
- Basketball equipment supply and installation;
- Chain link fencing and gates supply and installation;
- Concrete curbs;
- Fine grading and topsoil application; and,
- Site and sod restoration.

The tender specified that the contractor shall complete all work by May 2025.

Tender Information (196-T-24)

Bid closed on	August 23, 2024
Number picking up bid document	17
Number responding to bid	7

OPTIONS/ DISCUSSION:

The tender for courts reconstruction - construction closed on August 23, 2024 with a total budget shortfall in the amount of \$176,548.07 (~22.4%) inclusive of the cost of award, 10% contingency, and 1.76% HST impact.

Staff contacted the recommended bidder in an effort to mitigate a portion of the budget shortfall. The bidder was not in a position to provide any cost reduction opportunities that would be considered as a viable solution (due to the nominal impact). Staff attribute the shortfall to a significant increase in construction material costs, with acrylic surfacing being the primary factor, averaging 100% more than anticipated.

Budget Shortfall

Prior to bid issuance and during the consultant review and analysis of the market compared to similar projects in 2020 and 2022, Staff projected a potential shortfall of \$220,000 or 28% compared to budget. As identified within the report, the recommended award has a shortfall of \$176,548.07 or 22.4%, which is slightly better than anticipated.

The shortfall is due to market inflation of overall construction costs and materials. Staff completed a thorough value engineering exercise prior to issuance (including coordination with Operations), however, since these locations are at the end of their life cycle, it was imperative that the tender be issued to mitigate the potential of further additional funding need and extension of the construction completion into 2026 (opposed to forecasted 2025).

Staff recommend proceeding with awarding the contract to the lowest bidder rather than deferring the project, to allow this project to remain on schedule and mitigate against any further cost escalations, with substantial completion anticipated in 2025. It also should be noted that further yearly increase in asphalt and acrylic material and construction costs should be expected if the project is to be re-tendered in 2025.

FINANCIAL CONSIDERATIONS

The award of the contract for Tender 196-T-24, in the amount of \$962,804.07 inclusive of HST, will be awarded to Bond Paving & Construction Inc.

The financial breakdown is as follows:

Project	Amount
Budget Available	
059-6150-24205-005 - Tennis/Basketball Reconst Simonston/Robinson/Milliken Mills	\$355,093.59* (A)
Tennis Club	\$157,462.41* (B)
059-6150-24208-005 - Tennis Fencing	\$96,300.00** (C)
059-6150-24204-005 - Tennis/Basketball Reconstruction Bayview Reservoir	\$177,400.00** (D)
Total Budget	\$786,256.00 (E)=(A)+(B)+ (C)+(D)

Award	\$875,276.43	(F)
Contingency (10%)	\$87,527.64	(G)
Total Capital Costs	\$962,804.07	(H)=(F)+(G)
Budget Shortfall	(\$176,548.07)***	(I) = (E)-(H)

* The amount of \$157,462.41 will be collected from the Tennis Club for their share of costs.
 **Staff recommend all identified budget amounts be consolidated into project #24205 to facilitate the administration of this contract.

***The remaining City’s budget shortfall of \$176,548.07 (\$786,256.00 - \$962,804.07) will be funded from the City’s Non-DC Capital Contingency, which has an account balance of (\$1,887,279.20) as of September 5, 2024. The Non-DC Capital Contingency will be replenished at the next Status of Capital Projects Update in Q4 of 2024.

OPERATING BUDGET AND LIFE CYCLE IMPACT

This is a capital project funded from the Tennis Clubs and Life Cycle Reserve; updated pricing will be adjusted accordingly in the next Life Cycle Reserve Study update. The revised specifications for the new fencing are also not expected to increase operating and maintenance costs, so there is no incremental impact to the Operating Budget from this project.

ENVIRONMENTAL CONSIDERATIONS

All materials removed will be recycled through an appropriate scrap metal or aggregate recycling facility consistent with best practices.

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, with review and comments provided by the Finance Department

RECOMMENDED BY:

Giulio Cescato, RPP, MCIP
 Director, Planning & Urban Design

Arvin Prasad, RPP, MCIP
 Commissioner, Development Services

ATTACHMENTS:

Not applicable