



Report to: Development Services Committee

Report Date: September 10, 2018

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**SUBJECT:** Award of Tender 106-T-18: Swan Lake Park South Williamson – Construction

**PREPARED BY:** Ronji Borooah, City Architect, Ext. 8340  
Rosemarie Patano, Senior Construction Buyer, Ext. 2990

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**RECOMMENDATION:**

- 1) THAT the report entitled “Award of Tender 106-T-18: Swan Lake Park South Williamson Construction” be received;
- 2) THAT the contract for the Swan Lake Park South Williamson – Construction, be awarded to the lowest priced bidder Loc Pave Construction Limited, in the amount of \$386,538.41, inclusive of HST;
- 3) THAT a 7% contingency in the amount of \$27,057.69, inclusive of HST, be established to cover any additional project costs and that authorization to approve expenditures of this contingency up to the specified limit be in accordance with the Expenditure Control Policy;
- 4) THAT the Internal Project Management Fee in the amount of \$37,223.65 be allocated to account 081-5350-17013-005 “Swan Lake Park South - Construction”;
- 5) THAT the total cost for the project in the amount of \$450,819.75 (\$386,538.41 + \$27,057.69 + \$37,223.65) be funded from capital project #17013 “Swan Lake Park South – Construction” which has an available budget of \$404,227.72;
- 6) THAT the budget shortfall of \$46,592.03 (\$404,227.72 - \$450,819.75) be funded from the Development Charges Reserve in the amount of \$41,932.83 (90%) and Parks Cash-in-lieu Reserve in the amount of \$4,659.20 (10%);
- 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 Council approval to award the construction contract for the Swan Lake Park South Williamson.

**BACKGROUND:**

The Swan Lake Park South Williamson is located on the East side of Williamson Street, East of Markham Road and North of 16th Avenue. The scope of work consists of the following: site preparation and grading of site; provide drainage galleries connected to existing storm-sewer services, water and electrical services; plaza style concrete paving / asphalt trails and walkways; planting and sodding; site furnishings; special paved displays or sculptural elements, walls and edges of cubical natural stone and boulders; and, park shade structure. The tender specified that the contractor will complete this park by July 2019.

**BID INFORMATION:**

Bid closed on	August 2, 2018
Number picking up document	10
Number responding to bid	5

**PRICE SUMMARY:**

Bidders	Bid Price (Inclusive of HST)
<b>Loc Pave Construction Limited</b>	\$433,465.04*
Melfer Construction Inc.	\$475,219.20
Forest Ridge Landscaping Inc.	\$486,400.80
Pine Valley Corporation	\$607,988.52
Royalcrest Paving & Contracting Ltd.	\$669,320.81

\*Loc Pave Construction Limited ("Loc Pave") original bid price for this contract was \$433,465.04 (inclusive of HST) 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 negotiate with the lowest priced Bidder...in the event that the Bid prices submitted by the Bidders exceed the City's budget..." Moreover, Section 17.3 states, "The City reserves the right, in its sole discretion, to award in whole or in part (including, without limitation, by part, item or group of items)". Consequently, staff reviewed potential opportunities and entered into negotiations with Loc Pave to seek options to reduce the price, in order to better meet the City's approved budget. Staff were able to reduce the price by \$46,926.62 from \$433,465.04 to \$386,538.41 through the deletion of the granular limestone screening paving, cubical armourstone walls and edges at pathway and at the plaza lookout and the decorative metal screen fence.

**FINANCIAL CONSIDERATIONS:**

The total cost of award for contract 106-T-18 in the amount of \$450,819.75, inclusive of HST, will be funded from capital project #17013 "Swan Lake Park South – Construction."

Current Budget Available	\$ 404,227.72	081-5350-17013-005 Swan Lake Park South – Construction
Less cost of award	\$ 386,538.41	Construction
	\$ 27,057.69	Contingency (7%)
	\$ 413,596.10	Total (Inclusive of HST)
	\$ 37,223.65	Internal Management Fee @ 9%
	\$ 450,819.75	Total Cost of Award (Inclusive of HST)
Budget Remaining after this award	(\$ 46,592.03)	*

\* The budget shortfall of \$46,592.03 (\$404,227.72 - \$450,819.75) will be funded from the Development Charges Reserve in the amount of \$41,932.83 (90%) and the Parks Cash-in-lieu Reserve in the amount of \$4,659.20 (10%);

This budget shortfall can be attributed to the following reasons:

- i. The existing site contains an old dumping ground with methane monitoring wells. As-Built drawing are not available for the monitoring wells and therefore the specifications and

condition of the monitoring wells are unknown. The cost reflects anticipated extra work based on visual inspection.

- ii. The removal of the existing methane monitoring wells will result in additional soil on the site. The stripping, grading, hauling and removal of this soil is more costly than initially estimated.

**OPERATING BUDGET AND LIFE CYCLE IMPACT:**

The Swan Lake Park South Williamson is 3.14 hectares (7.76 acres) and the budgeted operating cost per hectare is \$ 8,941 / ha (2019 budgeted rate). Therefore, the incremental operating budget impact is \$ 28,074.74 (\$8,941 /ha x 3.14 ha). This operating increase has been included in the 2019 Operating budget, subject to Council approval.

The estimated life cycle impact is \$ 330K (80% of the total construction costs) over the next 25 years. Staff will update the Life Cycle Reserve Study at the next update to incorporate the various components of the park.

The Operations Department has reviewed the project and supports the future maintenance requirements. Future requirements for Swan Lake Park South Williamson include grass cutting and trimming, litter pick-up, garbage disposal and inspections.

**ENVIRONMENTAL CONSIDERATIONS:**

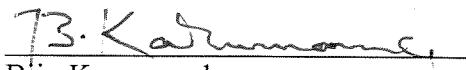
Included Specification Section 01561 – Environmental Protection in the contract documents in order to meet or exceed regulatory environmental procedures during construction:


- 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)

**BUSINESS UNITS CONSULTED AND AFFECTED:**

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

**RECOMMENDED BY:**

  
Biju Karumanchery  
Director, Planning & Urban Design

  
Arvin Prasad  
Commissioner, Development Services