



Report to: General Committee

Report Date: March 06, 2017

SUBJECT:	Award of Consturction Tender 091-T-16 Cornell Madison Rouge Riverlands North and South Park - Construction
PREPARED BY:	Rosemarie Patano, Senior Construction Buyer, Ext. 2990 Linda Irvine, Manager Parks and Open Space Development, ext. 2120

RECOMMENDATION:

- 1) THAT the report entitled “Award of Construction Tender 091-T-16 Cornell Madison Rouge Riverlands North and South Park - Construction” be received;
- 2) THAT the Contract for Tender 091-T-16 for Cornell Madison Rouge Riverlands North and South Park – Construction, be awarded to DPSL Group Ltd., the second lowest priced bidder, in the total amount of \$388,723.20 inclusive of HST;
- 3) THAT a 7% contingency in the amount of \$27,210.61, inclusive of HST be established to cover any additional construction costs and that authorization to approve expenditures of this contingency amount up to the specified limit in accordance with the Expenditure Control Policy;
- 4) THAT the internal project management fee in the amount of \$5,862.02 be charged;
- 5) THAT the total award in the amount of \$421,615.63 (\$388,723.20 + \$27,210.61 + \$5,682.02) be funded from the following capital projects; 1) 81-5350-16023-005, “Cornell Madison Rouge / Riverlands – Construction” and 2) 81-5350-17002-005 “Cornell Rouge Riverlands - Phase 2 of 2” as outlined under the financial considerations section in this report;
- 6) THAT the budget remaining in the amount of \$116,673.37 be returned to the original funding sources;
- 7) AND 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 Tender 091-T-16: Cornell Madison Rouge Riverlands North and South Park – Construction.

BACKGROUND:

Cornell Madison Rouge Riverlands North and South Park is located east of Cornell Rouge Blvd. and north and south of Riverlands Avenue.

The park consists of the following;

- Open green space
- Concrete Walkways
- Planting and sodding
- Play Area with Equipment
- Site furnishings

BID INFORMATION

Advertised	ETN
Bid closed on	January 31, 2017
Number picking up document	24
Number responding to bid	20

PRICE SUMMARY:

Suppliers	Bid Price (Inclusive of HST)
Everstrong Construction Ltd.	\$ 341,809.80*
DPSL Group Ltd.	\$ 388,723.20
Mopal Construction Ltd.	\$ 397,971.15
Loc Pave Construction Ltd.	\$ 401,030.05
Landtar Construction Inc.	\$ 405,990.85
Latitude 67 Ltd.	\$ 442,332.40
M&S Architectural Concrete	\$ 447,270.40
Melfer Construction Inc.	\$ 448,464.42
Cambium Site Contracting Inc.	\$ 450,894.49
Hawkins Contracting Services	\$ 466,585.37
TDI International AG Inc. dba ECO	\$ 471,327.29
Pine Valley Corporation	\$ 479,567.68
Bruce Wilson Landscaping	\$ 489,380.94
Dig-Con International Ltd.	\$ 508,526.06
Euro Landscape Construction & Groupings Inc.	\$ 523,939.65
J. Hoover Ltd.	\$ 548,862.91
Royalcrest Paving & Contracting	\$ 577,015.58
CSL Group Ltd.	\$ 609,610.58
MTM Landscape Contractors Inc.	\$ 666,629.75
Seawaves Development Services	\$ 699,331.86

*Staff recommends not awarding the contract to the lowest priced bidder Everstrong Construction. In accordance with Purchasing By-Law 2004-341, Part II, Section 15 (1) "The City reserves the right, in its sole discretion, and without incurring any liability whatsoever, to accept or reject any or all Bids, or to cancel the Quotation process at any time, without cause, if deemed in the best interests of the City to do so."

The lowest bidder misinterpreted the Bid document and miscalculated their pricing for numerous items within the bid document. City staff are concerned about the inherent risks associated with

awarding a contract based on pricing that does not adequately reflect the contractor's costs. Furthermore, the low bidder confirmed in writing that the pricing for these items did not reflect the job required and requested to withdraw their Bid. The City's General Terms and Conditions do not permit withdrawal of a Bid after tender closing, but the City has the discretion not to award to the lowest bidder, if such action is deemed to be in the best interest of the City.

The project is anticipated to be completed by August 2017 and the Operations, Asset Management, Recreation and Purchasing Departments were consulted during the process.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The following table summarizes the financial considerations:

Account Name	Account #	Budget Available	Cost of Award	Contingency 7%	Internal Project Management	Budget Remaining
Cornell Madison Rouge / Riverlands – Construction	16023	\$352,800.00	\$329,719.83	\$23,080.37	\$0.00	\$0.00
Cornell Rouge Riverlands – Phase 2 of 2	17002	\$185,489.00	\$59,003.37	\$4,130.24	\$5,682.02	\$116,673.37
Total		\$538,289.00	\$388,723.20	\$27,210.61	\$5,682.02	\$116,673.37

The remaining budget of \$116,673.37 will be returned to the original funding source.

OPERATION AND MAINTENANCE IMPACT:

The Operations Department has reviewed the project and supports the future maintenance requirements. Future requirements include grass cutting and trimming, litter pick-up, garbage disposal and playground inspections.

The Cornell Madison Rouge North Park is 1.52 hectares and the budgeted cost per hectare is \$8,584/ha. Therefore the annual operating and maintenance impact is approximately \$13,047.68 (1.52 ha x \$8,584/ha). This operating increase will be added to the 2018 Operating budget, subject to Council approval.

The Lifecycle impact of this park is \$333K. The Lifecycle impact of this park is estimated to be 80% of the total construction of the park. Every park has various amenities, each with various life-spans. Staff will update the Lifecycle Reserve Study at the next update to incorporate the various components of the park.

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 Purchasing and Planning & Urban Design Department. This report was also circulated to the Finance Department for review and comment.

RECOMMENDED BY:

28/02/2017

X 

Biju Karumanchery
Acting Director, Planning & Urban Design

28/02/2017

X 

Jim Baird
Commissioner, Development Services