



Report to: General Committee

Report Date: November 9, 2015

SUBJECT: Award of Contract 136-T-15 for the Supply and Installation of Automatic Irrigation System at Markham Green Golf Club

PREPARED BY: Kevin McGuckin, Facility Co-ordinator, Ext. 3776
Flora Chan, Senior Buyer, Ext. 3189

RECOMMENDATION:

- 1) THAT the report entitled “Award of Contract 136-T-15 Supply and Installation of Automatic Irrigation System at Markham Green Golf Club” be received;
- 2) AND THAT the Contract 136-T-15 Supply and Installation of Automatic Irrigation System at Markham Green Golf Club be awarded to the Sole Bidder D.J. Rain & Co. Ltd., in the total amount of \$458,937.60 inclusive of HST;
- 3) AND THAT a contingency in the amount of \$22,946.88, inclusive of HST impact, be established to cover any additional contingency costs, and that authorization to approve expenditures of this contingency amount up to the specified limit be in accordance with the Expenditure Control Policy;
- 4) AND THAT the total award of \$481,884.48 be funded from the Recreation Services capital budget for Markham Green Golf Course Irrigation (account 070-6150-15181-005 - Rouge River/ Markham Green Golf Course Irrigation).
- 5) AND THAT the remaining balance in the amount of \$11,287.39 be returned to the original funding source;
- 6) 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 Council’s approval to award Contract 136-T-15 for the Supply and Installation of Automatic Irrigation System at Markham Green Golf Club.

BACKGROUND:

Markham Green Golf Course is located at 120 Rouge Bank Drive (Ninth Line and 14th Avenue). The golf course was originally opened in 1950 as the exclusive “Box Grove Golf Club”. In 1967, the golf course was sold to IBM and became the “IBM Golf and Country Club”. In 1992, the majority of the property was re-zoned for development and the valley portion of the course was conveyed to the City of Markham, and now operates as the “Markham Green Golf Course”.

The City of Markham does not operate or manage this facility but rather, the City entered into a lease agreement (as approved by Council in 2013) for the day to day operations with Zack Spain and Associates. Under the lease agreement, the City is responsible to maintain the irrigation system to support golf course operations and the Contractor, at reasonable times and upon reasonable notice, will allow the City access to the golf course in order to effect any capital upgrades and improvements.

The irrigation system was automated in 1975 when PVC pipe was installed at greens and tees with automatic sprinklers. The original fairways manual quick coupling valves were replaced with automatic sprinklers and the current TORO Vari-Time 4000 control system was installed. The industry expectation for an irrigation system is 30 years. The existing control system components have not been manufactured for 15 years and repair parts are no longer available.

During the development of the irrigation specifications, the City requested products that would be easy to maintain, service and provide backup processes in the event there was a failure of any kind. The selected product is completely “top serviceable”, which means that the selected product is a valve-in-head sprinkler designed specifically for the golf industry. There is no digging required. Competitive products do not have this feature and require digging to access the individual components

The project is anticipated to commence in October and be completed by December 2015.

OPTIONS/ DISCUSSION:

Bid Information

Advertised, Place and Date	ETN
Bids closed on	September 22, 2015
Number of Bidders picking up bid document	6
Number of Bidders responding to Bid	2*

*Purchasing contacted bidders who downloaded the document , but did not submit a bid. From the six (6) follow-up calls made, Purchasing found that one (1) supplier’s expertise is outside of the requested scope work (smaller scale irrigation servicing residential and commercial properties); one (1) supplier is a product distributor only, with no installation capabilities; and, one (1) supplier did not bid due to resource availability and current workload.

From the follow-up call made, staff determined that Golf irrigation system installation is a specialized trade due to the installation of both a complex piping (hydraulic) and wiring (electrical) system. There are only a handful of contractors who have the expertise to do this work. From the three capable bidders who were notified of this bid opportunity, two (2) submitted bids.

Price Summary

Bidder	Bid opening Price	Revised Price
D.J. Rain Co. Ltd	\$503,712.00	\$458,937.60
Atkinson Irrigation *	\$523,416.81	disqualified

*Atkinson Irrigation bid was opened publicly, however, after bid closing and review of their submission it was identified that Atkinson Irrigation's bid was received after the specified bid closing time. Therefore, as per the City's General Terms and Conditions, the bid was ruled non compliant and was disqualified. Moving forward, staff will ensure that a more diligent review of the submitted bids and the submission time stamp are taken place, prior to public opening.

As allowed under the City's General Terms and Conditions of the contract, the City has the right to negotiate with the lowest priced bidder in the event that the Bid Prices submitted by the Bidders exceed the City's budget.

D.J. Rain & Co. Ltd.'s ("D.J. Rain") original bid price for this contract was \$503,712.00 (excluding contingency) higher than the budget allocation for this award of \$493,171.87. Due to this budget shortfall, Staff entered into negotiations with D.J. Rain 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 \$44,774.40 from \$503,712.00 to \$458,937.60 through material price negotiation and minor material substitution as per the following:

1. The manufacturer (TORO) recently introduced the ability to control the manual operations of the sprinklers using an application on a smart phone or tablet. This allows for a cost savings with the removal of the radio interface at the central computer (which includes an antenna to be mounted on the roof of the clubhouse and two portable radios with keypads);
2. Golf course irrigation piping systems can consist of PVC (Polyvinyl Chloride) and HDPE (High Density Polyethylene). PVC pipe is the preferred choice. There are two (2) type of fittings used on PVC piping systems: (i) Solvent Weld and Gasketed PVC Fittings; and (ii) Gasketed Ductile Iron Fitting. Cost savings were achieved after discussions with the Successful Bidder who confirmed they misinterpreted the specifications and included the use of 3" diameter ductile iron tees versus solvent weld and gasketed PVC fittings (at the entrance to the greens where the pipe reduces to 2" piping loops);
3. Since the commencement of the project has been delayed to post October 15th, cost savings were achieved as there is no longer a need to have the required work completed while the course is still in use. This allowed for the revision of the original irrigation design (routing), and removing any installation considerations for any out-of-play areas;
4. Removal of the \$25,000 allowance for potential removal of asbestos-cement pipe (If required, Staff believe the contingency amount will be sufficient for this project)
5. An additional discount was obtained from the equipment supplier(s)

Note: These changes bring the total contract cost, including contingency, in line with the available budget and do not compromise the integrity of the system design or functionality.

D.J. Rain was the successful contractor for irrigation system installation projects of similar size and scope for other municipalities, school boards and private organizations. As per the conducted reference checks, D.J. Rain completed its work on schedule and within budget, meeting all expectations regarding quality of work and deliverables. Compared to other awarded bids with similar size and scope, D.J. Rain's price is competitive.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

Original Budget and Account #	\$ 529,200.00	070-6150-15181-005 Markham Green Golf Course Irrigation
Current budget available	\$ 493,171.87	Budget allocated for this award
Less cost of award	\$ 458,937.60	Award
	\$ 22,946.88	Contingency (5%)
	\$ 493,171.87	Total award (inclusive of HST impact)
Budget remaining after this award	\$ 11,287.39	*

*The remaining balance in the amount of \$11,287.39 will be returned to the original funding source.

HUMAN RESOURCES CONSIDERATIONS:

Not Applicable.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not Applicable.

BUSINESS UNITS CONSULTED AND AFFECTED:

Finance Department have been consulted, provided input and reviewed this report.

ENVIRONMENTAL CONSIDERATIONS:

Installation of the irrigation system allows for rainwater to be re-purposed directly from the stormwater pond and is the water utilized to maintain the golf course.

RECOMMENDED BY:

29/10/2015

X

Mary Creighton
Director, Recreation Services

29/10/2015

X

Brenda Librecz
Commissioner, Community & Fire Services