



Report to: General Committee

Report Date: September 10, 2012

SUBJECT:	Award of Tender 187-T-12 Berczy Park Pavilion, Maintenance Building and Waterplay Construction
PREPARED BY:	Linda Irvine, Manager, Parks and Open Space Development, x 2120 Tony Casale, Senior Construction Buyer, x 3190

RECOMMENDATION:

- 1) THAT the report entitled “Award of Tender 187-T-12 Berczy Park Pavilion, Maintenance Building and Waterplay Construction” be received;
- 2) AND THAT the contract for tender 187-T-12 Berczy Park Pavilion, Maintenance Building and Waterplay Construction be awarded to the lowest priced, qualified bidder, Rutherford Contracting Ltd., in the amount of \$1,550,714.53 inclusive of HST;
- 3) AND THAT a separate purchase order in the amount of \$155,071.45 inclusive of HST be established as a contingency to cover any unforeseen construction /design costs and that the Director of Planning and Urban Design be authorized to approve this contingency amount up to the specified limit in accordance with the Expenditure Control Policy;
- 4) AND THAT the internal administration fee in the amount of \$153,520.74 be charged to account 081-5350-7624-005 Berczy Park Waterplay/Tennis;
- 5) AND THAT the award in the amount of \$1,379,416.23 inclusive of HST be funded from account 081-5350-7624-005 Berczy Park Waterplay/Tennis in the amount of \$555,032.64 and 081-5350-6644-005 Berczy CP Pav. & Maint. Building in the amount of \$824,383.59;
- 6) AND THAT the shortfall in the amount of \$479,890.49 be funded from the following; Berczy Park South Final (Account #81-5350-9352-005) in the amount of \$189,855.70; Berczy Comm. Park Design (Account #81-5350-8045-005) in the amount of \$114,514.88; Park Development DC Reserve (\$157,967.92 or 90%) and the Capital Contingency (\$17,551.99 or 10%) based on the original funding split of the project;
- 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 Council approval to award the construction contract for the Berczy Park Pavilion, Maintenance Building and Waterplay.

BACKGROUND:

The scope of work involves the construction of a waterplay feature and two fully functioning buildings; a 460s.q.m. seasonal Park Pavilion/Washroom Building for public use and a 160s.q.m Park Maintenance Building for year round use by Operations staff. The Maintenance Building will include a double door garage, mechanical room, staff room, a staff washroom and washrooms for public use.

Due to the scope of the project, contractors were pre-qualified to ensure they had the necessary qualifications, experience and resources to complete the works in accordance with the City of Markham's specified timelines. Pre-qualification # 251-P-11 was issued to the market place in accordance with Purchasing By-law 2004-341.

PRE QUALIFICATION INFORMATION (251-P-11):

Advertised	ETN
Pre-qualification closed on	December 21, 2011
Number picking up document	37
Number responding to pre qualification	23
Number of contractors prequalified	12

Tender number 172-T-11 was issued to pre-qualified bidders in February 2012 and five (5) bids were received with the lowest priced bidder being approximately 25% more than the available budget. Staff's decision was to cancel tender 172-T-11 and re-issue a new tender with a revised scope of work.

OPTIONS/DISCUSSION:

During the design process, staff from Operations and Recreation Departments were consulted and their requirements were included in the final design. These requirements were unknown in 2006 when the original budget was established and have contributed to the current budget shortfall. The additional requirements included are as follows:

- Maintenance Bldg. Storm sewer, strip drains and CB's with oil interceptors
- Maintenance Bldg. power connection to Glenbrook Drive (cable size and length)
- Maintenance Bldg. Site Servicing to adjacent street intersection
- Maintenance Bldg. gas heating in lieu of electrical
- Maintenance Bldg. Envelope and Heating for year-round use
- Maintenance Bldg. additional asphalt yard
- Park Pavilion in ground hydrant for north field
- Accessibility push buttons (Accessibility Guidelines)

Staff estimated that the cost increase for these additional requirements and the allowance for inflation (3% annually) since budget approval in 2006 to 2012 have affected the cost of the award of this project by approximately \$377,659.10.

In an effort to reduce costs without compromising the quality and functionality of the buildings, the architect revised the design to use materials and construction techniques which would realize cost savings. The revised scope of work principally included simplifying the building structure, specifying asphalt shingles versus a metal roof and a change to the structural systems. Based on the value engineering plan the estimated savings on the project was \$182,100.

The architect obtained a cost estimate from a reputable cost consultant for the revised scope of work and their estimate was within the project budget. Based on these findings new drawings and a revised scope of work were prepared and subsequently the project was re-tendered to pre-qualified bidders under tender # 187-T-12.

BID INFORMATION:

Advertised	ETN
Bid closed on	July 11, 2012
Number picking up document	11
Number responding to bid	4*

* Of the bidders that were prequalified but did not submit a bid, three bidders advised that they did not bid due to present workload, one bidder advised that the chief estimator was on vacation and two bidders advised they were closing multiple projects and elected not to bid.

DETAILED PRICING INFORMATION:

Contractors	Price (Incl. of HST)
Rutherford Contracting Ltd.	\$ 1,550,714.53
Gateman-Milloy Inc.	\$ 1,599,242.34
Gay Company Limited	\$ 1,689,047.21
J.J. McGuire General Contractors Inc.	\$ 2,083,841.28

Note: By revising the scope of work and releasing a new tender the City was able to reduce the cost of award by approximately \$196,106 as compared to Tender 172-T-11 which closed in February 2012 and subsequently cancelled. Though the cost of the award has been reduced from the 1st tender to the 2nd, staff reviewed the estimated prices and believes the shortfall can be also attributed to the following:

The cost of award is still over budget and in addition to additional requirements, allowance for inflation as identified within this report the following components of the project were higher than estimate from the bidders.

- Storm, sanitary & water site servicing by \$50- 80k
- Hard landscaping by \$25k - \$50k
- Stockpiling materials by \$35-50k
- Overall site preparation by \$50-100k

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The following chart summarizes the award and budget:

Original Budget - Project 6644 & 7624	\$1,703,953.00	
Budget Available	\$1,379,416.23	A
Award - Inclusive of HST	\$1,550,714.53	B
Contingency 10% - inclusive of HST	\$155,071.45	C
Capital Administration Fees	\$153,520.74	D
Budget Remaining	-\$479,890.49	A-(B+C+D)

The shortfall of \$479,890.49 will be funded from the following sources:

1. Berczy Park South Final (Acc. #81-5350-9352-005) in the amount of \$189,855.70
2. Berczy Comm. Park Design (Acc. #81-5350-8045-005) in the amount of \$114,514.88
3. Park Development DC Reserve (\$157,967.92 or 90%) and the Capital Contingency (\$17,551.99 or 10%) based on the original funding split of the project

The surplus funding in the two accounts is due to the projects being completed and currently in the warranty period. There is a contingency account to deal with any unforeseen requirements that may arise prior to the project reaching post warranty final completion.

There is sufficient funding in the Park Development DC Reserve for the Berczy Park pavilion, maintenance building, and waterplay to cover the shortfall of \$157,967.92.

HUMAN RESOURCES CONSIDERATIONS:

“Not applicable”

ALIGNMENT WITH STRATEGIC PRIORITIES:

“Not applicable”

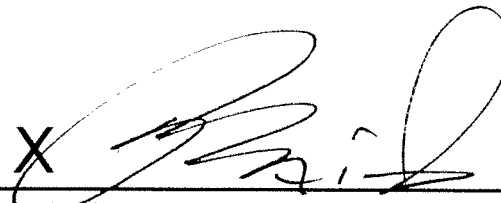
BUSINESS UNITS CONSULTED AND AFFECTED:

Financial Services

RECOMMENDED BY:

X 

Rino Mostacci
Director, Planning and Urban Design

X 

Jim Baird
Commissioner, Development Services