



To: COUNCIL
Meeting Date: 9/3/2024
Subject: Tender Award for Recreation Complex
Submitted By: Sheryl Ayres, Chief Financial Officer
Prepared By: David Mawdsley, Manager of Procurement
Report No.: 24-040-CRS
File No.: T24-66
Wards Affected: Ward 7

RECOMMENDATION(S):

THAT Report 24-040-CRS Tender Award for Recreation Complex be received;
AND THAT Request for Tender #T24-66 General Contractor - Recreation Complex & Idea Exchange - Construction Services be awarded to Melloul-Blamey Construction Inc. of Waterloo, ON, in the amount of \$94,220,000, exclusive of HST.

AND THAT additional funding for A/00463-41 Recreation Complex Construction be approved in the amount of \$2,582,700 from Development Charges debt, \$496,800 from tax supported debt and \$154,100 from Development Charges Reserve Funds Library for a total increase of \$3,233,600, in order to complete this project.

AND THAT Council pre-approve project A/00643-40 Park Development Southpoint (Bosdale) in the amount of \$1,205,000, to fund the community park development scope that is to be included in the base construction contract, to be funded by \$1,125,000 from Development Charges Parks and Recreation and \$80,000 from Contribution from Others (School Boards).

AND FURTHER THAT staff be directed to work with Melloul-Blamey Construction to achieve construction cost savings, wherever feasible, that do not result in substantially altering the building program or building performance from the tendered project specifications.

EXECUTIVE SUMMARY:

Purpose

This report provides information to Council on the pre-qualification and Tender process for the General Contractor for the construction of the Recreation Complex and Idea Exchange.

Key Findings

The City undertook a pre-qualification process to identify qualified construction industry specialists for the construction of the Recreation Complex and Idea Exchange.

The scope of construction services will include but not be limited to architectural, structural, mechanical, electrical, plumbing, HVAC, furniture, fixtures & equipment; site grading and servicing, parking lot construction, lighting, landscaping, site furnishings and other related items.

Financial Implications

City staff are recommending that Tender #T24-66 General Contractor - Recreation Complex & Idea Exchange - Construction Services be awarded to Melloul-Blamey Construction Inc. of Waterloo, ON, in the amount of \$94,220,000, exclusive of HST. The construction contract will consist of the base bid amount of \$93,150,000 plus alternate pricing received for community park development of \$1,070,000. The community park development scope will be funded separately through pre-approved project A/00643-40, which is funded through Parks and Recreation Development Charges and contributions from others. Additional funding of \$2,582,700 from Development Charges debt, \$496,800 from tax supported debt and \$154,100 from Development Charges Reserve Funds Library for a total increase of \$3,233,600, is required to award this project.

STRATEGIC ALIGNMENT:

Strategic Action

Objective(s): PLANNING FOR GROWTH - Provide for a mix of development, uses and amenities in order to meet the needs of a changing and diverse population

Strategic Action: Provide age-friendly services that are accessible to all

OR

Core Service

Program: Not Applicable

Core Service: Not Applicable

BACKGROUND:

The City undertook an open competitive pre-qualification process seeking to qualify General Contracting companies with experience in all aspects of new construction of a Recreation complex, site work, servicing, landscaping and other related experience (Request for Supplier Qualifications #SQ24-35).

The RFSQ opened for submissions on March 12, 2024 with a submission deadline of April 23, 2024. Sixty-seven (67) plan takers downloaded the solicitation documents from the City's e-tendering site, with five (5) submissions received by the submission deadline.

- Aquicon Construction Co. Ltd
- Graham Construction & Engineering LP
- Matheson Constructors Limited
- Melloul-Blamey Construction Inc
- Pomerleau Inc

The five (5) submissions received were evaluated against the following rated criteria identified in the solicitation document:

- Corporate Experience and Qualifications
- Similar Projects Experience
- Approach and Work Plan
- Key Project Personnel
- References

Respondents must have met a minimum threshold of 70 points or higher in order to be shortlisted and invited to participate in the Request for Tender process. At the conclusion of this evaluation process, the following respondents successfully demonstrated their ability to meet the requirements of the RFSQ:

- Aquicon Construction Co. Ltd
- Graham Construction & Engineering LP
- Melloul-Blamey Construction Inc

Request for Tender #T24-66 was issued to the three (3) pre-qualified contractors on May 14, 2024 and closed for submissions on July 10, 2024. Submissions were received from two (2) of the three (3) pre-qualified contractors.

ANALYSIS:

Bid amounts are listed below in order from lowest to highest.

Bidder Name	Bid Price (Excludes HST)
Melloul-Blamey Construction Inc	\$93,150,000

Bidder Name	Bid Price (Excludes HST)
Aquicon Construction Co. Ltd	\$115,256,000

EXISTING POLICY / BY-LAW(S):

Under Procurement By-Law 19-187, the Manager of Procurement or their designate, who is under the general direction of the Chief Financial Officer, is delegated the authority to approve the award of Tenders and Proposals when all of the following conditions have been satisfied:

- a) When there is sufficient funding, as approved by Council through the budget process and verified by the Finance Division by the Departmental Recommendation to Award Report.
- b) When all procedures in accordance with this By-Law, have been followed; and
- c) When the lowest compliant Tender bid or highest scored Proposal is accepted and recommended.

This award requires approval from Council as additional funding is required.

FINANCIAL IMPACT:

Additional Funding Required to Complete the Project

- The lowest tender price received exceeds the approved budget. Base site and building construction was budgeted at \$90,050,950 which excluded contingencies, soft costs, furniture, fixtures, equipment and other miscellaneous costs to complete the project; the bid price received for base construction was \$93,150,000, net of HST.
- Additional funding for project A/00463-41 Recreation Complex Construction is required in the amounts of \$2,582,700 from Development Charges debt, \$496,800 from tax supported debt and \$ 154,100 from Development Charges Reserve Funds Library for a total increase of \$3,233,600. Additional funding will cover the gap in base construction costs plus contingencies and soft costs.
- In addition to the base construction, bidders were required to submit Alternate Pricing quotations for the park amenities to be installed in the community park at the site of the recreation complex. Funding for this scope of work is forecasted in a separate capital project A/00643-40 Park Development Southpoint (Bosdale), with approved funding of \$979,400 from Development Charges Parks and Recreation, identified in the 2026 budget year. Pricing received on the park amenities is competitive, based on recent procurements, at \$1,070,000 and staff

recommend locking in the prices under this contract. Including construction, contingency and contract administration, the total costs for the park amenity scope will be \$1,205,000, funded from Development Charges Parks and Recreation in the amount of \$1,125,000 and Contribution from Others in the amount of \$80,000. Project pre-approval is required in order to issue the contract now, however installation of the park amenities is expected to align in the construction schedule with a 2026 installation, in line with the budget forecast.

- A new project A/00643-41 Playground Southpoint (Bosdale) has been added to the capital forecast in 2027 for \$520,000 to design and install a playground in the community park. The project is identified as “unfunded” with the intention that a project sponsor would cover the costs.

Operating Impacts

- Staff continue to analyze operating impacts and will report final numbers through the 2025 budget approvals process. Based on current assumptions, staff estimate that previously reported operating impacts of \$3,927,000 will increase by approximately \$600,000 or 0.5% tax levy increase. This increase considers additional staffing numbers capturing program changes directed by Council during schematic design and additional debt repayment interest charges. The total operating impact is estimated to be \$4,527,000 or 3.78% tax levy increase.

Value Engineering/Cost Reductions

- Staff worked with the project consultants post-tender to look at a number of options to reduce project costs. Substantial savings would require substantial design changes that would impact project delivery and were determined to be infeasible, however a number of potential smaller-scale material changes were identified that may be feasible to implement. Options and pricing will be explored during the construction contract and, where feasible, will be implemented. It is recommended that the construction scope be awarded at full value and that staff and the project consultants work with Melloul Blamey Construction to achieve construction cost savings, wherever feasible, that do not result in substantially altering building program or building performance from the tendered project specifications.

PUBLIC VALUE:

The Public bidding process ensures the City maintains an open and transparent public process that provides accountability on the utilization of financial resources.

Pre-approval of projects supports the financial sustainability of the City by ensuring the timing of procurement on key capital projects secures the most efficient pricing.

ADVISORY COMMITTEE INPUT:

Advisory Committees Consulted:

Not applicable.

PUBLIC INPUT:

Request for Tender T24-66 General Contractor - Recreation Complex & Idea Exchange - Construction Services was issued on May 14, 2024 and closed for submissions on July 10, 2024.

INTERNAL / EXTERNAL CONSULTATION:

Request for Tender Documents were compiled by Procurement; however, the detailed specifications contained within the documents were prepared and submitted to Procurement by Recreation.

CONCLUSION:

City Staff are recommending that T24-66 General Contractor - Recreation Complex & Idea Exchange - Construction Services be awarded to Melloul-Blamey Construction Inc. to complete the construction of the Recreation Complex & Idea Exchange.

REPORT IMPACTS:

Agreement: **No**

By-law: **No**

Budget Amendment: **Yes**

Policy: **No**

APPROVALS:

This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:

Director

Deputy City Manager

Chief Financial Officer

City Solicitor

City Manager

ATTACHMENTS:

24-040-CRS - Appendix A - Memorandum - Cambridge Recreation Center and Library -
Construction Tender