

**Consolidated Clause in Policy and Finance Committee Report 6, which was considered by City Council on June 14, 15 and 16, 2005.**

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**Tender 54-2005 - Construction of a Child-Care Centre  
at 118 Enderby Road  
(Ward 32 - Beaches-East York)**

*City Council on June 14, 15 and 16, 2005, adopted this Clause without amendment.*

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**The Policy and Finance Committee recommends that City Council adopt the recommendation of the Community Services Committee contained in the communication (May 26, 2005) from the Committee:**

Recommendation:

The Community Services Committee recommended to the Policy and Finance Committee that City Council adopt the staff recommendations in the Recommendations Section of the report (May 17, 2005) from the General Manager, Children's Services, and the Treasurer, respecting Tender 54-2005 – Construction of a Child Care Centre at 118 Enderby Road.

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(Report dated May 17, 2005, addressed to the  
Community Services Committee from the  
General Manager, Children's Services, and the Treasurer)

Purpose:

The purpose of this report is to advise on the results of the Tender issued for the Construction of a Child Care Centre at 118 Enderby Road, in accordance with specifications as required by the Children's Services Division and to request an additional allocation of \$410,900.00 from the Child Care Capital Reserve Fund for this purpose.

Financial Implications and Impact Statement:

The contract award for the project requested in this report is \$2,049,700.00 including all applicable taxes and charges. The cost of this contract to the City net of GST is \$1,915,607.48.

The revised total estimated cost for this project is \$2,575,400.00 including all applicable taxes and charges. Therefore, the required budget (total project cost) is going to be \$2,414,900.00 which is the City's cost net of GST. Partial funding is available in the approved 2005 Capital

Budget for Children's Services, Project Account WBS Element CCS008-01, in the amount of \$2,004,000.00. Since the approved budget is not sufficient to cover increased costs estimated to be \$410,900.00 net of GST related to noise and vibration abatement removal, a safety berm required by Canadian National Railway, unforeseen requirements for public utilities and increased labour, material and services costs, this report is, also, recommending that the 2005 capital budget for Children's Services be increased with the additional funding being provided from the Child Care Capital Reserve Fund. The uncommitted balance in the Child Care Capital Reserve Fund, Account No. XR1103, is sufficient to cover the additional \$410,900.00 required.

The Deputy City Manager and Chief Financial Officer has reviewed this report and concurs with the financial impact statement.

Recommendations:

It is recommended that:

- (1) the total capital budget for the Construction of a Child Care Centre at 118 Enderby Road be increased by \$410,900.00 to \$2,414,900.00 to reflect additional costs and that the additional amount be funded from the Child Care Capital Reserve Fund;
- (2) Tender 54-2005 for the Construction of the Child Care Centre at 118 Enderby Road be awarded to Flat-Iron Building Corp. in the amount of \$2,049,700.00 including all taxes and charges, being the lowest bid received;
- (3) this report be forwarded to Policy and Finance Committee for its consideration; and
- (4) the appropriate City officials take the necessary action to give effect thereto.

Background:

On December 15, 2004, Purchasing and Materials Management Division (PMMD) issued a Request for Pre-Qualifications (RFPQ) for General Contractors for Construction of a Child Care Centre at 118 Enderby Road to one hundred and thirty two (132) firms on the PMMD mailing list and on the City's internet website. On December 30, 2004, Pre-Qualification documents from twelve (12) firms were received. A City evaluation team composed of the Community and Neighbourhood Services Project Manager, the Project Architect and two other Project Managers from Community and Neighbourhood Services, in consultation with PMMD, reviewed all submissions and based on the evaluation criteria included in the RFPQ, developed a short list of four (4) pre-qualified firms that were invited to submit Tenders. The Tender was advertised on March 15, 2005, in the Daily Commercial News and on the City's internet website with a Tender closing date of April 29, 2005.

The approved 2005 Capital Budget for Children's Services includes a capital project to renovate a one-storey industrial building at 118 Enderby Road to house a child care centre serving 62 children (10 infants, 20 toddlers and 32 preschool children). The total approved project cost is \$2,004,000.00 to cover design costs, construction costs and other project expenses. Total

project expenditures to date are \$157,100.00, comprising architectural fees, permits, and other project expenses.

The Purchasing and Materials Management Division on April 29, 2005, opened the following bids for Tender Call 54-2005 for the Construction of the Child Care Centre at 118 Enderby Road:

Tenderer	<u>Price Complete Including All Charges and Taxes</u>
Flat-Iron Building Corp.	\$2,049,700.00
Derbtile Construction	\$2,195,000.00
Brown Daniels & Associates	\$2,266,941.77
HN Construction	\$2,543,711.00

Additional expenditures were incurred as a result of the project requiring an environmental clean-up as a result of past industrial use as well as extensive measures to reduce noise, vibration and potential hazard emanating from the proximity of the property to the Canadian National Railway tracks. These costs, together with increased labour and materials costs and additional site servicing requirements incurred additional architectural fees, project management costs and other project expenses through Contract No. 47008247, Carruthers Shaw & Partners, for a total estimated amount of \$368,600.00. The resulting total project cost amount including design, construction and other costs is \$2,575,400.00 including all applicable taxes and charges. The cost to the City net of GST is \$2,414,900.00.

Comments:

On the basis of a feasibility study carried out in September 2002, City Council has approved the conversion of an existing unused industrial building at 118 Enderby Road into a child care centre. Council approved a budget for the project of \$ 2,004,000.00 with the majority of the required funding coming from the Child Care Capital Reserve Fund and \$300,000.00 from debt financing. During the design and approval stage of the project, it determined that an environmental clean-up as a result of past industrial use as well as extensive measures to reduce noise, vibration and potential hazard emanating from the proximity of the property to the Canadian National Railway tracks would be required. These costs, together with increased labour and materials costs and additional site servicing requirements resulted in a revised total budget of \$2,575,400.00 including all applicable taxes and charges. The cost to the City net of GST is \$2,414,900.00.

The Tender documentation submitted by the recommended bidder has been reviewed by the General Manager of Children's Services and was found to be in conformance with the Tender requirements.

Division staff and Project Manager staff have compared the bids to the estimated cost and found the price of the recommended bidder to be reasonable and within the budget available.

The Fair Wage Office has reported that the recommended firm has indicated that it has reviewed and understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

Conclusion:

This report requests authority to increase the 2005 approved capital budget for Children's Services for the 118 Enderby Road daycare centre and to award a contract for the construction of same, in accordance with specifications, to Flat-Iron Building Corporation being the lowest bid received.

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