

**Renovation of and Addition to the Lakeshore Grounds
Assembly Hall Building, and Contract No. P003-99,
Tender Call No. 251-1999 - Lakeshore-Queensway**

(City Council on November 23, 24 and 25, 1999, adopted this Clause, without amendment.)

The Policy and Finance Committee recommends the adoption of the following joint report (November 4, 1999) from the Commissioner of Economic Development, Culture and Tourism, and the Chief Financial Officer and Treasurer:

Purpose:

The purpose of the report is to advise on the results of the Tender issued for the renovation of the Lakeshore Grounds Assembly Hall and request additional funding of \$500,000.00 for a total budget of \$4,148,000.00 to enable the award of Contract No. P003-99 for the renovation and addition to the Lakeshore Grounds Assembly Hall in accordance with specifications required by Economic Development, Culture and Tourism.

Financial Implications and Impact Statement:

Funding in the amount of \$3,648,000.00, approved by City Council in 1998, is available in the Economic Development, Culture and Tourism Capital Account - Lakeshore Grounds Assembly Hall for the design and construction of the above noted project. To date, Capital expenditures of \$378,010.00 have been incurred for consultants, permits, surveys, printing, demolition and site services from the 1999 budgeted amount of \$2,100,000.00.

Attempts to tender this project on two separate occasions have indicated that the budget is not sufficient to meet the program needs. Given the current rate of inflation in the construction industry and the change in servicing conditions effecting this project, to re-tender with a further reduced scope (an earlier detailed review of the programme and reduction strategy has already occurred) would not deliver the required savings. If this project is to proceed a further \$500,000.00 is required.

The additional funding can be provided by prior-approval of a portion of the 2000 Capital Budget submission of the Culture Division of the Department.

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

Recommendations:

It is recommended that:

- (1) Council authorize the pre-approval of \$500,000.00 from the FY2000 Culture Division Capital Works Budget so that the contract can be awarded before the expiration of the

tender bid period and that the project cost be increased by \$500,000.00 from \$3,650,000.00 to \$4,150,000.00 with an amended cash flow from (1998) \$100,000.00, (1999) \$2,100,000.00, (2000) \$1,250,000.00, (2001) \$200,000.00; to \$378,010.00 in 1999 and \$3,771,990.00 in 2000;

- (2) Contract No. P003-99, Tender Call No. 251-1999, for the renovation of the Lakeshore Grounds Assembly Hall be awarded to McBride Group in the amount of \$3,769,990.00 including all taxes, separate and alternate prices, this being the lowest tender received; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The Bid Committee, on October 15,1999 opened the following tenders for this project in accordance with specifications required by Economic Development, Culture and Tourism as summarized below:

<u>Tenderers</u>	<u>Tender Amount</u>
McBride Group	\$3,769,990.00
Frank Pellegrino	\$4,090,233.59
Struct-Con	\$4,411,500.00
Derbtile	\$4,558,526.00
M.J. Dixon	\$4,586,700.00
Jasper	\$4,762,600.00
Torcom	\$4,774,362.00
Ross Clair	\$4,970,434.00
Consolidated	\$5,066,000.00

The 1998 approved budget of \$3,648,000.00 was based on a 1997 feasibility study, recognizing the construction market and contractual conditions at the time.

Following a period of design and community consultation, the project was tendered in August 1999. The low bid received was \$3,843,907.67. In the hope of meeting the existing budget, the project was re-tendered in September 1999 after consultation with the client group and revising the programme scope. The low bid received, which was the same low tenderer from the first bid, after this second attempt was \$3,769,990.00, which resulted in a total budget shortfall of \$500,000.00.

Comments:

The tender documentation submitted by the recommended bidder has been reviewed by the Economic Development, Culture and Tourism Department and is in conformance with the tender requirements.

The Manager, Fair Wage and Labour Trades Office has reported favourably on the firm recommended.

Conclusions:

Attempts have been made to bring this project in line with the existing budget. The construction market conditions and changes in contractual conditions effecting this project have resulted in higher tender prices, and a need for additional funding of \$500,000.00 in order to award the contract prior to 2000. This will maintain the original project intent, scope, and schedule.

This report requests that Council pre-approve a \$500,000.00 Capital Funding Request and asks for the authority from Council to issue a contract for the renovation of the Lakeshore Grounds Assembly Hall project in accordance with specifications required by Economic Development, Culture and Tourism to McBride Group, being the lowest Tender received.

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The Policy and Finance Committee reports, for the information of Council, having also had before it a communication (November 10, 1999) from Mr. Gerald Smith, Chair, The Assembly Hall Advisory Board, advising that he has been instructed by the Assembly Hall Advisory Board to request that the Capital Budget for the Assembly Hall Project be augmented by \$500,000 to cover costs based on the estimate by the lowest bidder in the recent tendering process.