



STAFF REPORT ACTION REQUIRED

Union Station Revitalization-Selection of General Contractor/Construction Manager–Supplementary Report

Date:	November 27, 2009
To:	City Council
From:	Chief Corporate Officer and Director, Purchasing & Materials Management
Wards:	Ward 28, Toronto Centre Rosedale
Reference Number:	P:\2009\Internal Services\F&re\Cc09110F&re - (AFS 10964)

SUMMARY

This is a supplementary report to the Union Station Revitalization Award of Contracts report considered by the Government Management Committee at its meeting of November 9, 2009. The purpose of this report is to advise on the results of the competitive procurement call issued by the Purchasing and Materials Management Division for the provision of General Contractor-Construction Management Services for the proposed Union Station Revitalization Project.

RECOMMENDATIONS

The Chief Corporate Officer and the Director, Purchasing and Materials Management recommend that:

City Council approve Vanbots, a division of Carillion Construction Inc., as the selected General Contractor/Construction Manager for the Union Station Revitalization Project pursuant to the competitive procurement call.

Financial Impact

The Union Station Revitalization Awards of Contracts report that was before Government Management Committee on November 9, 2009 recommends that City Council approve the award of a contract to a General Contractor/Construction Manager (GC/CM) in the amount of \$450,000,000, net of GST (\$472,500,000 including GST), subject to the signing of the Metrolinx and the Head Lease agreements. This amount allows for the estimated construction cost, inclusive of all subcontracts to be procured and an estimated 12% provision for the GC/CM's fixed fees, accounts and cost reimbursable general accounts.

Funding in the amount of \$450 million for the General Contractor/Construction Manager contract is available in the 2010 Recommended Capital Budget and 2011-2019 Capital Plan for Union Station. The Federal funding agreement has been completed.

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

DECISION HISTORY

This report is a supplementary report to the report, direction and recommendations provided by the Government Management Committee on November 9, 2009. The report is available on-line at:

<http://www.toronto.ca/legdocs/mmis/2009/gm/bgrd/backgroundfile-25038.pdf>

ISSUE BACKGROUND

The procurement process followed was described in the report that was before Government Management Committee on November 9, 2009. The evaluation team has now completed its comprehensive and diligent evaluation of the proponents' submissions following a specific, well documented process. A threshold proposal evaluation score of 75% or 60 points as stated in the RFP had to be met by each technical submission in order to allow for review of the separate cost proposal. The technical proposals of two (2) firms exceeded this threshold and their separate cost proposal envelopes were opened and reviewed. The cost proposals were scored and added to the technical score.

Oversight of the entire procurement process, from the initial Pre-Qualification call to finalization of the Evaluation Scores was provided by P1 Consulting and key staff from the City's Purchasing and Material Management Division. The entire process was carried out in a fair and transparent manner and an Attest Report (Attachment 1) to that effect has been provided by the Fairness Consultant.

COMMENTS

Purchasing and Materials Management (PMMD) issued a Request to Pre-qualify (RTP), leading up to this RFP, which resulted in the following four (4) pre-qualified respondents:

1. EllisDon Corporation
2. Grand Union Junction Venture (consortia of SNC Lavalin, Aecon, Turner)
3. PCL Constructors Canada Inc.
4. Vanbots, a division of Carillion Construction Inc.

The RFP was issued to the four (4) pre-qualified respondents by the Purchasing and Materials Management Division (PMMD) on September 14, 2009 and was available for download on the City's Internet website. The RFP included the selection criteria to be used for evaluation. All four (4) pre-qualified respondents submitted proposals for this RFP. The proposal submitted by EllisDon was declared non-compliant because it contained a material deviation from the terms of the RFP.

A formal selection committee comprised of members of Facilities and Real Estate, Technical Services and the Toronto Transit Commission, evaluated the remaining proposals using the criteria outlined in the RFP. The two respondents that met the minimum technical score threshold were PCL Constructors Canada Inc. and Vanbots, a division of Carillion Construction Inc. and as a result, both Proponents had their Cost of Services submission evaluated. Vanbots, a division of Carillion Construction Inc. obtained the highest total score and is therefore being recommended to City Council for award.

The recommended GC/CM firm, Vanbots, is the building division of Carillion Construction Inc. and is one of Canada's largest general contracting companies with annual revenues exceeding \$600 million. Carillion plc (public limited company), the ultimate parent of Vanbots, is a \$10 billion a year, 50,000 person, international construction services enterprise.

Vanbots has a long history of successfully delivering construction projects including the Michael Lee Chin Crystal at the Royal Ontario Museum (\$230 million, 500,000 square ft of new/renovated space), the vertical expansion of Sunnybrook Health Sciences, M Wing (\$140 million, 290,000 square ft addition above an existing operating hospital), Bramalea City Centre expansion and retrofit (\$102 million) and starting shortly, the Aga Khan Museum and Ismaili Centre (\$240 million).

Carillion plc's corporate project experience includes significant rail transportation station experience including projects such as the Broadgate-Broad St/Liverpool St—London Underground, UK (a \$1.2 billion 4.8 million square ft commercial development over and around the stations), Charing Cross- Embankment Place, London, UK (\$250 million, 350,000 square foot office, retail and commercial development above and below the station) and the London Underground- Canada Water Station—(built around the existing East London Line).

Vanbots/Carillion has provided an excellent work plan and has corporately committed their most highly qualified and experienced staff to the City for the required GC/CM services on this project. Key staff, including the Project Director and the Senior Project Manager, each with over 35 years of construction experience, are committed to the Union Station project together with their most respected expert in field operations with over 45 years of construction experience, as the project General Superintendent. Carillion plc's corporate staff experience has also been incorporated into the project team to leverage their international rail station experience including a senior staff member from the UK who has been involved in some of London's most prestigious rail stations, and a senior scheduling expert from their Dubai office. All remaining key positions on the project team are staffed by senior, qualified and experienced personnel.

Procurement Requirements

For the recommended GC/CM selection, the following requirements have been met:

- (a) the firm recommended for award is the highest scoring proponent based on the evaluation criteria and meeting the requirements of the call;
- (b) the Deputy City Manager and Chief Financial Officer agrees with the Financial Impact information;
- (c) the appropriate Division has reviewed submissions and found the price to be reasonable, within available budget and concurs with the recommendation;
- (d) the Fair Wage Office has reported favourably on the recommended firm.

In accordance with Council approved policy, proponents' scores, financial comparison and staff analysis of the evaluation results can be provided to Councillors in an in-camera presentation if requested by Council.

CONCLUSION

Vanbots, a division of Carillion Construction Inc., is the highest scoring proponent, based on the evaluation criteria and is recommended as the General Contractor/Construction Manager for the Union Station Revitalization Project GC/CM contract.

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SIGNATURE

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ATTACHMENTS

Attachment 1: Fairness Consultant Attest Report