

Redevelopment of St. Lawrence Market North – Construction Contract Award

Date: February 15, 2018

To: Government Management Committee

From: Deputy City Manager, Internal Corporate Services
and Chief Purchasing Officer, Purchasing and Materials Management Division

Wards: Ward 28 – Toronto-Centre Rosedale

SUMMARY

The purpose of this report is to advise of the results of Tender Call No.85-2017 for the supply of all materials, equipment, labour and supervision necessary for the construction of the new St. Lawrence Market North Building and to request authority to award a contract to the recommended bidder, Bondfield Construction Company Limited in the amount of \$79,753,000, net of all taxes (\$81,156,652 net of HST recoveries).

RECOMMENDATIONS

The Deputy City Manager, Internal Corporate Services and the Chief Purchasing Officer, Purchasing & Materials Management Division recommend that:

1. Government Management Committee, in accordance with Section 195-8.4 of Toronto Municipal Code Chapter 195 (Purchasing By-law), grant authority to award Tender Call No.85-2017, for the construction of the new St. Lawrence Market North Building, to Bondfield Construction Company Limited in the amount of \$79,753,000, net of all taxes (\$81,156,652 net of HST recoveries), including all allowances, contingencies and charges, having submitted the lowest compliant bid in conformance with the Tender requirements.

FINANCIAL IMPACT

The total amount of the award for Tender Call No.85-2017 for the construction of the new St. Lawrence Market North Building is \$79,753,000, net of all taxes (\$81,156,652 net of HST recoveries), including all allowances, contingencies and charges.

Funding for the construction of the new St. Lawrence Market North Building is available in the 2018 - 2027 Council Approved Capital Budget and Plan for Facilities, Real Estate, and Environment & Energy (FREEE) under account CCA 193-01 - "*Redevelopment - St. Lawrence Market*". The total project cost for the multi-phased St. Lawrence Market North Redevelopment Project is \$102.3 million. Life to date spending and future cash flows are summarized in the table below (in \$millions):

Table: Life to date spending and future cash flows

Account	Life to Date (Dec 31, 2017)	2018	2019	2020	Total
CCA193-01 & CCA180-08	13.199	24.768	36.983	27.393	102.343

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

DECISION HISTORY

At its meeting on January 23, 2018 Budget Committee adopted a report recommending an increase in the total project cost of \$9.505 million for the multi-phase St. Lawrence Market North Redevelopment. When incorporating the additional \$1.380 million that has already been included in Facilities, Real Estate, Environment & Energy (FREEE)'s 2018 - 2027 Preliminary Capital Budget and Plan, the total project cost will increase to \$102.343 million. The report can be found through the following hyperlink:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BU41.1>

At its meeting on August 29, 2017 Government Management Committee received a report for information to provide information on the additional project funding required for the North St. Lawrence Market project for design and construction services to accommodate the inclusion of a section of the 1831 central drain archaeological resource found on the site for public viewing and interpretation. The report can be found through the following hyperlink:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM22.13>

At its meeting on February 3 and 4, 2016, City Council directed staff to proceed with Phase 2, Demolition of the existing North Market Building at 92 Front Street, of the Redevelopment of St. Lawrence Market North project, including demolition of the existing building and archaeological assessment of the site in advance of new construction. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/mmis/2016/gm/bgrd/backgroundfile-86763.pdf>

At its meeting on July 16, 17, 18 and 19, 2013, City Council adopted a revised financing plan, including additional funding of \$15.293 million, and directed staff to proceed with the Design Development and Bid Document stages for the new St. Lawrence Market North Building. The report can be found through the following hyperlink:
<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM23.6>

At its meeting on July 6, 7, 8, 2010, City Council endorsed the winning design from the St. Lawrence Market North Design Competition and authorized City staff to enter into an agreement with the successful proponent for the provision of architectural services for the new St. Lawrence Market North Building. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-31365.pdf>

At its meeting on December 10, 2008, City Council endorsed the strategy to redevelop the St. Lawrence Market North property with a multi-story building, including a ground floor Market Hall, Court Services' court rooms and administrative offices, and a 250-space below grade parking garage. The decision also authorized a design competition to select an architect for the redevelopment. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/mmis/2008/bu/bgrd/backgroundfile-17440.pdf>

At its meeting on September 25, 26, 27 2006, City Council directed City staff to provide a business plan for the redevelopment of the North Market building. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/2006/agendas/council/cc060925/adm6rpt/cl022.pdf>

At its meeting on June 27, 28, 29 2006, City Council directed City staff to investigate a number of technical matters with the redevelopment, including parking access/accommodations and Court Services as a primary tenant. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/2006/agendas/committees/adm/adm060606/it020.pdf>

At its meeting on October 26, 27 and 28, 2004, City Council adopted development parameters for St. Lawrence Market North and endorsed a strategic vision statement for the St. Lawrence Market complex. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/2004/agendas/council/cc041026/adm8rpt/cl007.pdf>

At its meeting on June 24, 25 and 26, 2003 City Council established the St. Lawrence Market North Working Committee to determine planning and design guidelines for the redevelopment, as well as consultations with various stakeholders. The report can be found through the following hyperlink:
<http://www.toronto.ca/legdocs/2003/agendas/council/cc030624/adm5rpt/cl024.pdf>

The current St. Lawrence Market North initiative has been ongoing since 2002 to maximize the site's full potential and improve the St. Lawrence Market complex. At its meeting on July 30, 31 and August 1, 2002, City Council approved, in principal, the concept of redeveloping the St. Lawrence Market North Building and directed City staff to study redevelopment options. The 2002 Council report, which includes a detailed history of the St. Lawrence Market complex, can be found through the following hyperlink:

<http://www.toronto.ca/legdocs/2002/agendas/council/cc020730/adm10rpt/cl014.pdf>

COMMENTS

Background:

The St. Lawrence Market North Redevelopment Project is being implemented in three (3) major phases as follows:

Phase 1 Design and construction of a Temporary Market Building, at 125 The Esplanade, and client relocation. **Completed June, 2015.**

Phase 2 Demolition of the existing North Market Building at 92 Front St. including archaeological assessment and environmental remediation of the site in advance of new construction. **Completed April, 2017.**

Phase 3 Design, tender and construction of New North Market Building. **Design Complete, Tender Call Closed December 05, 2017.**

All phases of the project have been implemented concurrently and funded within the current Project Budget of \$102.3 million. The consulting team is led by Adamson Associates Architects of Toronto, in association with Rogers Stirk Harbor + Partners of London, England.

The North Market Design includes:

New St. Lawrence Market Facility	
Below Grade	250 parking spaces (operated by TPA)
Floor 1 - Market Hall	Farmers Market, Commercial Events, Retail Café
Floor 2 - Mezzanine	Hospitality Use, Kitchen Incubators, Court Services Administrative Offices, Seniors Centre
Floor 3	Court Services Head Office, Operations and Administrative Offices and Police Services
Floor 4	JP offices, City and Provincial Prosecutions Offices, and 5 courtrooms
Floor 5	9 Courtrooms
All	5 Storey Atrium

The principal benefits that will result from the project's completion include:

- Significant improvement to a City landmark and tourist destination and enhancement of the top-ranked farmers market in the world.
- Improvement of current use from a weekend market to a 7-day operation of mixed uses.
- The ground floor and mezzanine levels provide the opportunity for a variety of non-market uses such as, exhibitions, trade shows, displays, receptions, etc. with the "indoor street" central atrium space providing a focus.
- Increased parking capacity (through the construction of 250 new underground spaces) which will replace some of the local parking currently being lost as a result of new building developments in the area.
- The physical link to second level of St. Lawrence Hall (SLH) provides access to TPA parking garage thereby enhancing the leasing potential of SLH for events and public gatherings.
- Service improvements and efficiencies resulting from the consolidation of Court Services operations into one location (this service would otherwise be accommodated in three locations).
- Improved compatibility with the heritage character of the other buildings in the St. Lawrence Market complex and neighborhood.

Archaeological Assessment:

The St. Lawrence Market Complex has served as a City landmark for over 200 years and remains as one of the most valuable historical sites in Toronto.

The site plan application for the North Market redevelopment initiated a planning requirement for an archaeological assessment which resulted in the discovery of significant archaeological remains. Evidence of the early market buildings on site dating from the 1820, 1831, 1851 and 1904 periods were encountered including central drains, lateral brick and stone drains, market walls, storage cellars and support columns. This archaeology is representative of a rare and important early market period within the original Town of York and is also one of Canada's earliest commercial markets.

The project includes the salvage of archaeological remains and incorporating some of the key archaeological structural elements into the design of the new building for public interpretation in accordance with the approved Heritage Interpretation Plan.

Procurement Process:

Given the importance and high visibility of the project, Facilities Management decided, in consultation with Purchasing and Materials Management Division (PMMD), to issue a request for pre-qualification to establish a list of General Contractors to bid on construction of the new SLMN Building. PMMD issued Request to Prequalify (RTP) 3907-16-5090 on December 22, 2016. Three (3) addenda were issued prior to the RTP closing date of February 03, 2017. PMMD received seven (7) submissions in response to the RTP.

The submissions were evaluated by a City evaluation team comprised of staff from Facilities Management and the City's consulting architect firm, Adamson Associates Architects. The evaluation of the submissions consisted of mandatory requirements related to confirmation that the respondents had the requisite bonding, insurance and financial capacity and a scored criteria related to the respondents experience on past projects and the proposed key personnel that would oversee the project if selected as the successful bidder at the tender stage. Respondents had to meet all the mandatory requirements and achieve at least 75% on the scored technical criteria.

Out of the seven (7) submissions, five (5) respondents pre-qualified to participate in the subsequent tender for the construction of the new SLMN Building. The five (5) respondents were:

- EllisDon Corporation
- Ledcore Construction Ltd
- Graham Construction and Engineering LP
- WCC Construction Canada, o/a Walsh Canada
- Bondfield Construction Company Limited

Following the prequalification, PMMD issued Tender Call 85-2017 on behalf of Facilities Management on March 21, 2017. Twenty five addenda were issued, and the closing date was extended to December 05, 2017. The number of addenda and postponement of the closing date were to allow for completion of the archaeological salvage work and to incorporate some of the key archaeological structural elements into the design of the new building in accordance with the approved Heritage Interpretation Plan.

PMMD, at its Public Opening held on December 05, 2017 received and opened the following bids:

Table 2: Summary of Bids received for Tender 85-2017

Firm Name	Bid Amount (net of HST)
Bondfield Construction Company Limited	\$79,753,000
Walsh Canada	\$88,032,746

Contained within this bid amount is a contingency of \$3,625,000 included by Facilities Management to address any unforeseen requirements which may arise during construction.

City staff reached out to the three (3) prequalified bidders who did not submit a bid to understand the reasons why they chose not to submit. All three, EllisDon Corporation, Ledcore Construction Ltd., and Graham Construction and Engineering LP indicated that they did not submit a bid because they had already secured other projects or were otherwise experiencing resource constraints.

The tender documentation submitted by the recommended bidder has been reviewed by Facilities Management and PMMD and was found to be in conformance with tender requirements. The price of \$79,753,000, net of HST, is within the revised Council approved budget of \$102.3 million.

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

As part of the review of bidders, PMMD staff reviewed the City's Debtors Watch List. Bondfield Construction Company Limited was listed on the Debtors Watch List as of March 2017 for owing the City unpaid utility bills associated with properties owned by Bondfield Construction Company Limited. As of December, 2017 the monies owed total \$49,236. The City's Right to Reject Debtors and Set off Policy (the Debtor Policy), allows the City the right to reject a bid where the City determines that the person making the offer is in any way indebted to the City and in its sole discretion is of the opinion that

it is in the City's best interests that the offer be rejected. The Debtor Policy sets out several criteria to determine whether a bid should be rejected because of the debt, including the size of the debt, the age of the debt, the nature of the debt, other avenues to collect the debt and the spread between the low bidder and the next bidder. Taking all these factors into consideration, staff are still recommending to award to Bondfield Construction Company Limited as the size of the debt is small compared to the contract value, there are other ways to collect the debt and the spread between the low bidder and the next bidder is considerable.

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SIGNATURE

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