



## REPORT FOR ACTION

### **Award of Tender Call No. 267-2017 for the construction of the Bessarion Community Centre**

**Date:** April 12, 2018

**To:** Government Management Committee

**From:** General Manager, Parks, Forestry and Recreation; General Manager, Children's Services; Chief Purchasing Officer, Purchasing and Materials Management Division

**Wards:** Ward 24 - Willowdale

#### **SUMMARY**

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The purpose of this report is to advise of the results of Tender Call 267-2017 issued for the supply of all materials, equipment, labour and supervision necessary for the construction of the Bessarion Community Centre which includes Recreation/Aquatics facilities, a Toronto Public Library branch, a Children's Services day care centre and a 3-story underground parking garage to be operated on a commercial basis by the Toronto Parking Authority, and to request the authority to award a contract to the recommended bidder, Eastern Construction Company Limited in the amount of \$85,480,251 net of all taxes and applicable charges (\$86,984,703 net of HST recoveries).

The contract award is within the delegated authority of the Government Management Committee.

#### **RECOMMENDATIONS**

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The General Manager, Parks, Forestry and Recreation, the General Manager, Children's Services and the Chief Purchasing Officer, Purchasing and Materials Management Division recommend that:

1. The 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. 267-2017 for the supply of all materials, equipment, labour and supervision necessary for the construction of the Bessarion Community Centre, which includes Recreation/Aquatics facilities, a Toronto Public Library branch, a Children's Services day care centre and a 3-story underground parking garage to be operated on a commercial basis by the Toronto Parking Authority to Eastern Construction Company

Limited in the amount of \$85,480,251 net of all taxes and applicable charges (\$86,984,703 net of HST recoveries).

## **FINANCIAL IMPACT**

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The total amount of the award for Tender Call No. 267-2017 for the supply of all materials, equipment, labour and supervision necessary for the construction of the Bessarion Community Centre which includes Recreation/Aquatics facilities, a Toronto Public Library branch, a Children's Services day care centre and a 3-story underground parking garage to be operated on a commercial basis by the Toronto Parking Authority is \$85,480,251 net of all taxes and applicable charges, \$96,592,684 including HST and all applicable charges (\$86,984,703 net of HST recoveries). The consultant's pre-tender construction estimate for this contract was \$67,994,000 net of HST and all applicable charges (\$69,190,694 net of HST recoveries).

Funding is available in the Parks, Forestry and Recreation, Toronto Public Library, and Toronto Parking Authority 2018-2027 Capital Budgets and Plans summarised in the following table (net of HST recoveries).

Table 1: Expenditures

Description	WBS Element	Award to Dec 31, 2018	Jan 1, 2019 to Dec 31, 2019	Jan 1, 2020 to Dec 31, 2020	Jan 1, 2021 to Dec 31, 2021	Total
Bessarion CC (Canadian Tire) - Construction	CPR 123-40-04	\$10,500,000	\$2,909,230	\$27,000,000		\$40,409,230
Bessarion CC - Additional Funding	CPR 123-46-08			\$9,000,000	\$5,900,000	\$14,900,000
Bessarion CC - Parking Garage	CPR 123-46-09	\$3,280,473	\$5,395,000			\$8,675,473
Bessarion Stakeholders Funding	CPR 123-46-10					
Toronto Public Library (TPL)			\$3,573,000	\$5,725,000	\$4,702,000	\$14,000,000
Children's Services **			\$4,400,000		\$600,000	\$5,000,000
Toronto Parking Authority				\$4,000,000		\$4,000,000
Total		\$13,780,473	\$16,277,230	\$45,725,000	\$11,202,000	\$86,984,703

\*\* The Children's Services component is included in the 2018-2027 Parks, Forestry Recreation Capital Budget and Plan and is funded from \$3.3 million in Section 37 funding; and \$1.7 million from the Child Care Capital Reserve Fund (XR1103).

Operating impacts for the projects, if required, will be included in future year Operating Budget Submissions for the respective programs.

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

## DECISION HISTORY

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City Council, at its meeting of December 8, 2009, adopted the Parks, Forestry and Recreation (PF&R) 2010 Capital Budget through item EX38.1 (26.a.i.). The Bessarion Community Centre (CC) Construction (former Canadian Tire CC) sub-project was approved with a total project cost of \$12.124 million and funding from various Section 37 and Section 45 benefits. Funds in the amount of \$0.240 million from PF&R Development Charges and North District Parkland Development Cash-in-lieu Reserve Funds were previously approved for the North District CC Bessarion (former Canadian Tire) Site Design sub-project through item 26.a.iii.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX38.1>

At its meeting of February 17, 2016, City Council approved Parks, Forestry and Recreation's 2016 Capital Budget through item EX12.2 (28.a.i.). A total of \$43.325 million in funding for three new sub-projects was added to the Capital Budget for the construction of Bessarion CC: \$9.000 million for the Bessarion CC Parking Garage funded from PF&R Development Charges; \$14.900 million for Bessarion CC Additional Funding with funding from PF&R Development Charges and City Wide Parkland Development Cash-in-lieu (CIL) Reserve Funds; and \$19.425 million for Bessarion CC Stakeholders Funding with \$4.000 million from Toronto Parking Authority, \$4.125 million from Children's Services, and \$11.300 million from Toronto Public Library.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

City Council, at its meeting of February 15, 2017, approved the Parks, Forestry and Recreation 2017 Capital Budget through item EX22.2 (22a.i. and 22a.ii.). Additional funds for the construction of Bessarion CC were approved: \$0.275 million was added to the Bessarion CC Stakeholders Funding sub-project with funding from Children's Services; and \$20.686 million was added to the Bessarion CC Construction sub-project with funding from PF&R Development Charges (\$18.617 million), and City Wide and North District Parkland Development Cash-in-lieu Reserve Funds (\$2.069 million).

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX22.2>

At its meeting of February 12, 2018, City Council approved the Toronto Public Library 2018 Capital Budget through item EX31.2 (105a.i. and 105b). The timing of the cash flow estimates for Bayview-Bessarion Library Relocation capital project from 2019 to 2021 was approved.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2>

City Council, at its meeting of April 24, 2018, approved a recommendation to amend the approved 2018-2027 Capital Budgets and Plans for Parks, Forestry and Recreation (PF&R), Toronto Public Library (TPL), and Toronto Parking Authority (TPA) by increasing project costs and adjusting cash flows for construction of the Bessarion shared-use facility project. Additional funds and realignment of cash flows were required in order to award the contract to the lowest bidder. Specifically, Council approved the recommendation that:

1. City Council authorize the following increases and accelerations to the approved 2018 Capital Budget and 2019-2027 Plan:

a. Amend the Parks, Forestry and Recreation's Capital Budget and Plan as follows:

i. Increase the project cost of the Bessarion Community Centre sub-project in the Community Centre project, by \$12.900 million from \$56.950 million to \$69.850 million;

ii. Increase the project cost of the Bessarion Stakeholders sub-project in the Community Centre project, by \$3.300 million from \$19.700 million to \$23.000 million;

b. Amend the Toronto Public Library's (TPL) Capital Budget and Plan to increase the project cost of the Bayview - Bessarion Library Relocation project by \$2.700 million from \$12.622 million to \$15.322 million;

c. Amend the Toronto Parking Authority's Capital Budget by adding a project known as Bessarion Community Centre Parking Garage with a total project cost of \$4.000 million in 2018 and cash flow of \$4.000 million in 2020.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.18>

## **COMMENTS**

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Concord Adex Investments Limited's Concord Park Place redevelopment (former Canadian Tire owned property, 1001 Sheppard Avenue East), currently under construction, will ultimately add an estimated 4,000 residential units to the area, housing an estimated 10,000 additional residents.

As the recreational demands of this additional population would exceed the capacity of the existing facilities in the area, new parkland will be provided as part of the redevelopment. Through the rezoning process, Concord Adex Investments Limited has conveyed a number of properties to the City of Toronto as its parkland contribution. One of these properties, Block 10 (100 Woodsy Park Lane), is to be developed as a community centre site. The property is immediately south of the Bessarion TTC subway station, south side of Sheppard Avenue East on the west side of Woodsy Park Lane.

The Parks Forestry and Recreation Division has received budget approval from Council to begin construction of the Bessarion Community Centre. In addition to the provision of recreation and aquatics facilities, the City will be incorporating a Toronto Public Library branch library and a City of Toronto Children's Services child care facility into the community centre on behalf of those partners, and will be constructing a 196 space underground parking garage which will be operated on a commercial basis and partially financed by the Toronto Parking Authority.

Under the terms of its section 37 agreement for the Concord Park Place redevelopment, Concord Adex Investments Limited has contributed money to the City for some of PF&R's cost of the community centre, and for some of Children's Services' cost for the construction of the child care centre within the community centre.

The proposed facility is a new-build 3-storey plus mezzanine structure with three levels of below-grade parking. The facility will be approximately 209,000 square feet in total size (19,416 square meters) and includes a community recreation centre, Toronto Public Library branch, Children's Services child care centre (together totalling approximately 132,000 square feet, or 12,262 square meters), and a 196 space underground commercial parking garage (approximately 77,000 square feet, or 7,153 square meters) which will be operated and partially financed by the Toronto Parking Authority. The total site area/lot size is 6,485 square meters.

**Recreation Component:** 38,000 square feet (net area) will include a double gymnasium and change rooms, indoor running/walking track, fitness studio, weight room, art rooms, preschool room, games room, divisible community hall with kitchen, and multi-purpose rooms of varying sizes.

**Aquatic Component:** 27,000 square feet (net area) will include a 25m x 6 lane lap pool complete with barrier free ramp access, leisure pool with barrier free ramp access, complete with various water play features, deck area with public viewing area within the pool enclosure (for leisure swim and tot lessons).

**Toronto Library Branch Component:** 13,000 square feet (net area) neighbourhood branch.

**Child Care Component:** 6,400 square feet (net area) child care centre for 52 children designed to meet the requirements of the Child Care and Early Years Act, 2014, complete with outdoor play areas.

**Underground Parking Garage Component:** 196 spaces, designed to Toronto Parking Authority design standards for commercial operation by the Toronto Parking Authority.

#### Procurement Process:

The Request for Pre-qualification (RTP) document 3907-17-5039 was issued on May 12, 2017 to establish a list of General Contractors to bid on the Bessarion Community Center project. This RTP closed on June 2, 2017 with seven (7) submissions having been received.

A formal evaluation committee was convened comprised of members from Parks, Forestry and Recreation and the City's architect consultant. The RTP evaluation process was facilitated and overseen by the Purchasing and Materials Management Division.

The three (3) General Contractors prequalified to bid on the Bessarion Community Centre were:

- Eastern Construction Company Limited
- Graham Construction and Engineering LP
- Multiplex Construction Canada Ltd.

Tender Call No. 267-2017, was issued to the three (3) pre-qualified General Contractors on October 12, 2017 and closed on December 6, 2017 with the intent to start construction in the spring of 2018.

Purchasing and Materials Management Division, at its public opening held on December 6, 2017, received and opened the following bids:

Table 2: Summary of Bids received for Tender 267-2017 including HST:

Bidder	Bid Price (including HST and applicable charges)
Eastern Construction Company Limited	\$95,922,593.63 <sup>1, 2</sup>
Multiplex Construction Canada Ltd.	\$100,871,572.14
Graham Construction and Engineering LP	No bid submitted

1) An additional contingency of \$593,000 is included in the recommended award value to address any unforeseen requirements which may arise during construction.

2) Tender prices were corrected for mathematical errors. Purchasing and Materials Management has verified that the mathematical errors were corrected.

The low bid (prior to a proposed increase to the contingency allowance) of \$84,887,251 net of all taxes and applicable charges is \$16,943,251 above the pre-tender estimate. The cost consultant has identified the source of the cost variance in their post tender analysis as follows:

- a) increases in sub-trade costs between date of the cost estimate and the tender date;
- b) other high increases in sub-trade costs due to market conditions over and above normal inflation expectations (in particular a high market demand for carpenters, concrete form workers and drywall which impacted in particular the costs for the two (2) pools, building foundations, walls above grade and interior partitions) as well as the costs of perimeter shoring to the basement excavation and basement excavation itself);
- c) the expected construction duration of three years exceeded the duration assumed in the cost estimate by 10 months and would therefore incur incremental costs for an additional winter of construction;
- d) the presence of environmentally impacted soil was not known at the time of the estimate but was later included in the tender as an allowance; and
- e) the higher caliber of the general contractors that were prequalified for this tender which reduced the number of bidders for this project.

The tender documentation submitted by the recommended bidder has been reviewed by Parks, Forestry and Recreation and Purchasing and Materials Management Division and was found to be in conformance with tender requirements, including the requirement of this tender that the General Contractor has achieved a Certificate of Recognition (COR™), a health and safety certification conferred by the Infrastructure Health & Safety Association (IHSA).

The price of \$86,984,703 net of HST recoveries, is within the revised Council-approved budget.

The Fair Wage Office confirms the recommended bidder understands the Fair Wage Policy and Labour Trades requirements and has agreed to comply fully.

The recommended bidder has agreed to participate in the City of Toronto's Social Procurement Program. As part of the program, the bidder is to develop or provide an adopted supplier diversity policy that outlines the means to improve supplier diversity and implement and maintain a Workforce Development Strategy.

The Contractor is required by the tender requirements to work with City staff to implement a Workforce Development Plan. To assist in implementing the Workforce Development Plan, the City of Toronto will provide a single point of contact from Social Development, Finance and Administration. This plan will include the following requirements throughout the duration of the contract:

- a) Designate a liaison for the term of the contract;
- b) Meet with City staff within 15 business days from the award of the contract to review and finalize details of the Workforce Development Plan and its implementation;
- c) Provide a minimum of four (4) hours per month to administer and/or implement the Workforce Development Plan;
- e) Hold meetings with City staff in accordance with the schedule detailed in Section 2-5 of the tender call document; and
- f) Monitor, track and report on the progress and outcomes of the Workforce Development Plan as detailed in Section 2-5 of the tender call document.

Furthermore, the Workforce Development Plan will require the Contractor to implement the following Workforce Development strategies:

- a) The Contractor is required to utilize existing City-endorsed workforce development programs to attempt to source, either directly or through subcontractors, a minimum of three (3) qualified candidates for employment opportunities not subject to any applicable collective agreements, over the course of the contract period. Customized recruitment is intended to apply only to new employment opportunities.
- b) The Contractor is required to provide, either directly or through subcontractors, one (1) paid internship or work-based learning opportunity per year through City-endorsed programs.
- c) The Contractor is required to devote, either directly or through subcontractors, a minimum of 10% of all trade and crafting hours needed for the project to registered apprentices participating in City-endorsed skilled trades apprenticeship training programs targeting low-income and/or equity-seeking populations in Toronto.
- d) The Contractor is required to provide one (1) sub-contracting opportunity per year to a social enterprise for required components of work or services.



## **CONTACT**

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## **SIGNATURE**

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