

Award of Ariba Document Number 4502108451 to Pomerleau Inc. for the Construction of a New Multi-Function Paramedic Station - 300 Progress Avenue

Date: February 10, 2025

To: General Government Committee

From: Executive Director, Corporate Real Estate Management and the Chief Procurement Officer

Wards: 21 - Scarborough Centre

SUMMARY

The purpose of this report is to inform General Government Committee on the outcome of the Negotiated Request for Proposal (nRFP) Doc4502108451 for the construction of a new Multi-Function Paramedic Station at 300 Progress Avenue, and to request authority to enter into an agreement with Pomerleau Inc. in the amount of \$96,152,712 net of all taxes and charges (\$97,845,000 net of Harmonized Sales Tax recoveries). The contract is expected to start on the date of award and end on April 30, 2028.

The new Multi-Function Paramedic Station will serve as a 24/7 hub and district command post for Toronto Paramedic Services (TPS). The project is characterised by its environmental strategy and features a mass timber structure, geothermal heat pump system and a solar photovoltaic energy system. This project also aligns with the City's TransformTO Climate Change Action Plan and ModernTO Office Modernization goals and supports future carbon reduction and/or Net Zero projects.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management and the Chief Procurement Officer recommend that:

1. The General Government Committee in accordance with Section 195-8.4A of the Toronto Municipal Code Chapter 195 (Procurement By-Law), grant authority to the Executive Director, Corporate Real Estate Management and Chief Procurement Officer to enter into an agreement with Pomerleau Inc. being the highest overall scoring supplier meeting the requirements of Negotiated Request for Proposal Ariba Document Number 4502108451 to provide general contracting services for the construction of the New Multi-Function Paramedic Station located at 300 Progress Avenue for a total amount of \$96,152,712 net of all taxes

and charges (\$97,845,000 net of Harmonized Sales Tax Recoveries), all in accordance with the terms and conditions as set out in the Negotiated Request for Proposal and any other terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management and the Chief Procurement Officer.

FINANCIAL IMPACT

The total potential contract award including contingency allowance identified in this report is \$96,152,712 net of all applicable taxes and charges (\$108,652,565 including Harmonized Sales Tax and all other charges). The total potential cost to the City is \$97,845,000 net of Harmonized Sales Tax recoveries.

Funding in the amount of \$97,845,000 is available in the 2025-2034 Capital Budget and Plan (Account CAM071) for Toronto Paramedic Services, with funding details as noted in Table 1 below.

Table 1 – Financial Impact Summary (net of Harmonized Sales Tax Recoveries)

WBS Element and Description	Timeline	Total
CAM071 Equipment – 3040/3410/3420 Services – 4035/4420/4424/4830 Contributions - 5020	Date of award to December 31, 2025	\$13,829,709
	January 1, 2026 to December 31, 2026	\$33,253,443
	January 1, 2027 to December 31, 2027	\$42,170,393
	January 1, 2028 to April 30, 2028	\$8,591,455
Total		\$97,845,000

A contingency allowance has been included in the proposed total contract award value for work and/or services to address any future unforeseen issues or site conditions which may arise during the construction stage of the project.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information presented in the Financial Impact Section.

DECISION HISTORY

On February 11, 2025, as part the Mayor's Proposed Operating and Capital Budgets, Toronto Paramedic Services received approval for the 2025-2034 Operating and Capital Plan, detailed in Appendix 5a of the Staff Recommended Operating Budget and Capital Plan, including an increase of \$12.8 million for construction cost escalations to reflect

supplier cost increases, the cost of facility design changes, including the relocation of the main gate.

<https://secure.toronto.ca/council/agenda-item.do?item=2025.BU9.1>

On February 15, 2023, as part of MPB4.1 Operating and Capital Budgets, Toronto Paramedic Services received approval for the 2023-2032 Operating and Capital Plan, detailed in Appendix 6a of the 2023 Staff Recommended Operating Budget and Capital Plan, including a net increase after adjustments of \$17.2 million for the cost escalations in construction, plus other infrastructure upgrades for delivery of the Multi-Function Station at 300 Progress Avenue.

<https://secure.toronto.ca/council/agenda-item.do?item=2023.MPB4.1>

On February 17, 2022, as part of EX30.2 Operating and Capital Budgets, Toronto Paramedic Services received approval for their 2022-2031 Staff Recommended and Capital Plan, detailed in Appendix 6a of the 2022 Staff Recommended Operating Budget and Capital Plan, including an increase of \$30.0 million for construction, COVID cost escalations and net zero requirements for the delivery of the Multi-Function Station at 300 Progress Avenue.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX30.2>

On December 15, 2021, City Council adopted item GL27.17, Expropriation of a Portion of 350 Progress Avenue for Toronto Paramedic Services Station Access, approving the expropriation for the City to acquire a fee simple interest for the Project.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.GL27.17>

On July 14, 2021, City Council adopted item GL24.12, Expropriation of a Portion of 350 Progress Avenue for Toronto Paramedic Services Station Access, approving the expropriation for the City to acquire a fee simple interest for the Project.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.GL24.12>

On February 19, 2020, as part of EX13.2 2020 Operating and Capital Budgets, Toronto Paramedic Services received approval for their 2021-2029 Staff Recommended Capital Plan, detailed in Appendix 5b of the 2020 Staff Recommended Capital and Operating Budget Notes for City Planning, including \$39.705 million for the design and construction of a Multi-Function Station at 330 Progress Avenue.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX13.2>

On February 17, 2016, as part of EX12.2 2016 Capital and Operating Budgets, City Council confirmed that the estimated six (6)-acre facility available at 330 Progress Road be designated for the future use of Toronto Paramedic Services for the construction of Multi-function Station number 2.

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

COMMENTS

Background

As part of efforts to accommodate increases in TPS' emergency call demand and staff resources, outlined in the 2016-2025 Capital Budget and Plan Overview, the City of Toronto is proposing to design and construct a Multi-Function Station located at the north end of a 25-acre parcel of land in Scarborough. The new station will be part of the TPS' active deployment model to achieve greater efficiencies in the preparation of equipment and vehicles, and to allow more targeted deployment of paramedic crews across the city to respond to emergency calls.

In accordance with TPS' Council-approved Capital Plan, the first such station was built at 1300 Wilson Avenue in the northwest part of the city, which began servicing the community in October 2017.

The municipal address of the new facility is 300 Progress Avenue and is approximately eight acres in size. The new Multi-Function Paramedic Station is intended to achieve the following major program objectives:

- Function as a 24/7 hub and district command post for frontline staff with capacity for 40 ambulance vehicles, 10 supervisor vehicles, 10 training/Community Paramedic vehicles and include provisions for vehicles and equipment sanitizing and processing, inventory storage, administrative space, teaching facilities, staff locker rooms and eating areas;
- Accommodate staffing of up to 250 paramedic services personnel, including transient personnel attending the site for training and instruction;
- Provide flexible classroom and laboratory space for paramedic training; and
- Include emergency routing during planning stages for fire services access and accommodate outdoor service access for loading and oxygen deliveries.

The project is characterised by its environmental strategy and features a mass timber structure, geothermal heat pump system and a solar photovoltaic energy system. The facility's design also follows net-zero carbon and net-zero energy principles, ensuring compliance with Toronto Green Standards (TGS) and certification by the Canada Green Building Council. Although not mandated, a University of Toronto study, in collaboration with Environment and Climate and City Planning, was used to identify practical ways to reduce greenhouse gas emissions over the facility's life cycle without impacting design intent or budget. This project also aligns with the City's TransformTO Climate Change Action Plan and ModernTO Office Modernization goals and supports future carbon reduction and/or Net Zero projects.

Site Planning Approvals

Site plan approval typically involves a two-stage process. The first stage is the issuance of the Notice of Approval with Conditions (NOAC), and the second stage is the issuance of the Statement of Approval, which occurs once all pre-clearance conditions have been met.

For this site, the NOAC was issued on March 6, 2024, and pre-clearance conditions were subsequently addressed. As such, a Memorandum of Understanding with City

Planning was signed on April 4, 2024, and the required building permits have been issued for the project.

Award of Negotiated Request for Proposal Doc4476450575

Due to the complexity of the scope of work, the City developed and executed a strategic sourcing strategy that leveraged a nRFP process, which offered advantages such as scope flexibility, better understanding of Supplier technical capabilities, investigating innovative solutions to control costs and improve quality, and the ability to negotiate with the top ranked supplier prior to award. The nRFP established a stage-based weighted evaluation process to ensure the supplier's capability, capacity, experience, and cost competitiveness.

Procurement Process

The nRFP Doc4502108451 was issued by Purchasing and Materials Management (PMMD) on June 12, 2024 on the Ariba sourcing platform. Throughout the process, a total of ten addenda were issued. The closing date for the proposals was August 23, 2024.

At the time of nRFP closing, submissions were received from the following two suppliers:

1. Pomerleau Inc.
2. Matheson Constructors Limited

Evaluation of the Negotiated Request for Proposals (nRFP) Submissions

A formal Evaluation Committee was established for the purpose of reviewing the responses received from the suppliers. All staff involved in the evaluation process signed and submitted a Non-Disclosure and Declaration of Conflict of Interest Agreement prior to the receipt of the proposals being received. Under the supervision of PMMD, the proposals were evaluated in compliance with the criteria set out in the nRFP.

The evaluation process described in the nRFP consisted of four stages as described below:

- Stage 1: Mandatory Submission Requirements
- Stage 2A: Mandatory Technical Requirements
- Stage 2B: Technical Proposal Evaluations
- Stage 3: Pricing and Rankings
- Stage 4: Contract Negotiations

Stage 1: Mandatory Submission Requirements

In Stage 1, each supplier was required to submit responses to a list of mandatory requirements. Following this review process, one supplier successfully met the

mandatory submission requirements and advanced to Technical Evaluation, while one supplier failed to meet all mandatory submission requirements.

Stage 2A: Mandatory Technical Requirements

In Stage 2A, the supplier's technical proposal submission was thoroughly reviewed to determine whether it met the minimum mandatory technical requirements as set out in Part 4 - Form B (Technical Proposal and Qualifications). One supplier, Pomerleau Inc., met the mandatory technical requirements and advanced to Technical Proposal Evaluation.

Stage 2B: Technical Proposal Evaluations

In Stage 2B, Pomerleau Inc.'s technical proposal submission was evaluated against a set of non-price related criteria including company profile, project experience, proposed project team, proposed means and methods, work plan and deliverables, schedule management, budget and cost management, references, and social procurement and supplier diversity. The technical proposal was scored out of a total of 70 points, with suppliers being required to meet an overall minimum score of 70% (49 out of 70 points). In addition, suppliers were required to achieve a minimum score for multiple sub-categories. Upon conclusion of Stage 2B, it was determined that Pomerleau Inc. met the minimum thresholds across the required criteria and successfully advanced to Stage 3 - Pricing and Rankings.

Stage 3: Pricing and Rankings

In Stage 3 - Pricing Evaluation, the pricing submission for the supplier was reviewed. In Stage 3, the proposal with the lowest cost would receive the highest score allocated for this stage (30 points) and all other suppliers' proposals would receive a pro-rated score against the lowest priced supplier's proposal accordingly. As Pomerleau Inc. was the sole supplier to enter Stage 3 – Pricing and Ranking, the supplier automatically received a full score of 30 points. Upon combining their scores from both technical and pricing evaluations, Pomerleau Inc. received a total score of 82.01 out of 100.

Stage 4: Contract Negotiations

The City met with top ranked supplier, Pomerleau Inc., as per the disclosed criteria in the nRFP for the purposes of conducting contract negotiations, which occurred between October 30, 2024 and December 13, 2024 with a focus on various topics, including, but not limited to:

- Excess soil management;
- Fire service watermain and fence work;
- Pricing proposal and estimated lead times;
- Site access constraints and coordination;
- Project schedule; and
- Construction agreement finalization.

Upon successful conclusion of the negotiations, the City agreed to a finalized proposal from Pomerleau Inc., which included revised pricing and terms and conditions. As such, Pomerleau Inc. was recommended as the top ranked supplier for the construction of a new Multi-Function Paramedic Station at 300 Progress Avenue.

Fair Wage Office Review

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

Fairness Monitor Report

On January 21, 2025, Fairness Monitor, Robinson Global Management, provided the City with the Fairness Monitor's Report confirming that, from a fairness perspective, the procurement process undertaken by the City of Toronto on its nRFP for 300 Progress Avenue Paramedic Station has been conducted in a fair, open, and transparent manner. Robinson Global Management approves the outcome of the process. Refer to Appendix A for the Fairness Monitor's Report.

CONTACT

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SIGNATURE

Patrick Matozzo,
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ATTACHMENTS

Appendix A - Fairness Monitor Report for Negotiated Request for Proposal (nRFP)
Doc450210845