

Award of Doc4510705018 to Pomerleau Inc. for the Construction of the new Western North York Community Recreation and Childcare Centre for the Parks and Recreation Division

Date: February 10, 2025

To: General Government Committee

From: General Manager, Parks and Recreation and Chief Procurement Officer

Wards: Humber River-Black Creek, 7

SUMMARY

The purpose of this report is to advise on the results of Negotiated Request for Proposals (nRFP) Doc4510705018, Contract Number 23-PFR-045 for the supply of all materials, equipment, labour, supplies, administrative and project supervision required for the construction of new Western North York Community Recreation and Childcare Centre and to request authority for the General Manager, Parks and Recreation and Chief Procurement Officer to award the contract to Pomerleau Inc., in the amount of \$125,849,270 net of all applicable taxes and charges including contingencies (\$128,064,217 net of Harmonized Sales Tax recoveries).

The new Western North York Community Recreation and Childcare Centre construction is expected to commence in the second quarter of 2025 and is projected to be completed in the first quarter of 2028.

RECOMMENDATIONS

The General Manager, Parks and Recreation and Chief Procurement Officer recommend that:

1. The General Government Committee, in accordance with Section 195-8.4 of the Toronto Municipal Code Chapter 195 (Procurement By-Law), grant authority to award and enter into an agreement with Pomerleau Inc., being the highest scoring proponent meeting all the requirements of Negotiated Request for Proposals Doc4510705018, for the construction of new Western North York Community Recreation and Child Care Centre, in the amount of \$125,849,270 net of all applicable taxes and charges including contingencies (\$128,064,217

net of Harmonized Sales Tax recoveries) and in accordance with the Negotiated Request for Proposals requirements.

FINANCIAL IMPACT

The total potential contract award including contingency allowance identified in this report is \$125,849,270 net of all applicable taxes and charges (\$142,209,675 including HST and charges). The total potential cost to the City is \$128,064,217 net of Harmonized Sales Tax recoveries.

Financial impacts have been summarised in Table 1 below. Funding is available in the 2025-2034 Capital Budget and Plan for Parks and Recreation. Funding is available in the overall Western North York Childcare Centre project for Children's Services.

Table 1: Financial Impact Summary

WBS Element	Description	January 1, 2025 to December 31, 2025	January 1, 2026 to December 31, 2026	January 1, 2027 to December 31, 2027	January 1, 2028 to December 31, 2028	Total (Net of HST Recoveries)
CPR123-51-01	Western North York New CC Construction	\$17,944,000	\$27,813,200	\$27,813,200	\$44,891,179	\$118,461,579
CCS046-01	Western North York Child Care	\$2,056,000	\$3,186,800	\$3,186,800	\$1,173,038	\$9,602,638
Total (Net of HST Recoveries)		\$20,000,000	\$31,000,000	\$31,000,000	\$46,064,217	\$128,064,217

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

The above Table 1 includes the base contract scope of work amounts of \$106,822,014 and a contingency allowance of \$16,415,122 and Itemized proposal prices \$2,612,134 for structural canopy for the parking lot PV system, swimming pool cover, acrylic court surfacing, roller window shades, and maintenance and service contracts with a total of \$125,849,270 (net of all applicable taxes and charges) and \$128,064,217 (net of HST recoveries and charges).

The contingency allowance will be allocated and added into the contract as and when required to address any future unforeseen issues or changes which may arise during the construction stage of the project.

DECISION HISTORY

At its meeting on February 14, 2024, City Council approved the 2024 Capital Budget and 2025-2033 Capital Plan for Parks, Forestry and Recreation and Children's Services including additional funding of:

- \$27.000 million allotted to Parks and Recreation
- \$5.100 million allotted to Children's Services

for the construction of the Western North York Community Centre.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MPB15.1>

At its meeting on February 15, 2023, City Council approved the 2023 Capital Budget and 2024-2032 Capital Plan for Parks and Recreation including additional funding of \$45.500 million for the construction of the Western North York Community Centre.

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

At its meeting on June 15, 2022, the Bid Award Panel adopted item BA192.6 for the Award of Ariba Document Number 3450346638 to Well Initiatives Limited for Open Loop Geothermal Wells at 60 Starview Lane for Parks and Recreation.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.BA192.6>

At its meeting on February 2, 2022, City Council approved the determination of the available options for the City's shared use of the existing driveway that will satisfy site plan requirements for the site and requested the Toronto Catholic District School Board to consider the City's preferred form of arrangement so that the site plan work and the project work to build the new community centre can avoid any further delays in delivery of the new community centre.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.MM39.31>

At its meeting on January 14, 2022, the General Government and Licensing Committee approved an amendment to Purchase Order Number 6047996 with MacLennan Jaunkalns Miller Architects Limited for the provision of all architectural, technical and administrative services for the design and construction contract administration to construct the new Western North York Community Centre and Child Care.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.GL28.2>

At its meeting on April 7, 2021, City Council approved the Shared Use License Agreement for Overflow Parking at St. Basil-the-Great College School to Satisfy Site Plan Approval for the Development of the Proposed Western North York Community Centre through item 2021.MM31.49.

<https://secure.toronto.ca/council/agenda-item.do?item=2021.MM31.49>

At its meeting on February 18, 2021, City Council approved Children's Services 2020 Capital Budget through item EX21.2 (177, 178) which included an additional \$1.100 million for the construction phase of the Childcare Centre, to support net zero design.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX21.2>

At its meeting on February 18, 2021, City Council approved the Parks and Recreation 2021 Capital Budget and future year cash flow commitments through item EX21.2

(191), which included \$58.000 million for the construction of the Western North York Community Centre.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX21.2>

At its meeting on July 28 and 29, 2020, City Council approved an amendment to the 2020 Parks and Recreation Capital Budget through EX15.13 (3), which included \$0.146 million in funding from the Green Municipal Fund to proceed with a net zero feasibility study.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX15.13>

At its meeting on February 19, 2020, City Council approved Children's Services 2019 Capital Budget through item EX13.2 (187, 188), which included \$3.900 million in funding for the construction phase of the Child Care Centre.

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

At its meeting of October 03, 2018, Bid Award Panel adopted item BA99.2 for the award of RFP 9118-18-5016 for the Design and Construction Administration of the new Western North York Community Centre to MacLennan Jaunkalns Miller Architects Ltd.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.BA99.2>

At its meeting on February 12, 2018, City Council adopted the Parks and Recreation 2018 Capital Budget through item EX31.2 (20a.i.) which included an additional \$1.600 million in design funds for the community centre project.

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

At its meeting on February 17, 2016, City Council approved the Parks, Forestry and Recreation 2016 Capital Budget through item EX12.2 (28.a.i.) which included \$1.400 million for the design phase for the Western North York Community Centre.

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

COMMENTS

New Western North York Community Centre

The proposed facility is a state-of-the-art Net-Zero, two-storey building designed to offer a wide range of recreation, aquatic and childcare services. Spanning a total site area of 17,446 square meters, the facility will serve as a versatile community hub.

The building is designed to be Net Zero Energy and Net Zero Carbon Standards. Sustainability will be an important aspect of this project and will lead the way for future Net Zero Energy Building (NZEB) projects. It will follow Toronto Green Standards V3, Tier 4 and Canada Green Building Council (CaGBC) Zero Carbon Building Standards for Design. The building envelope, though not targeting certification, will follow Passive House high performance principles. The majority of the heating and cooling will be provided through an open loop geothermal heat pump system, and renewable energy will be generated with photovoltaic panels on the roof.

The recreation area covers 79,285 square foot (Gross Floor Area) and includes a double gymnasium, an indoor running/walking track, universal change rooms, a fitness and dance studio, multi-purpose rooms, activity rooms, and a fully equipped teaching kitchen. The aquatic component features a 25-metre by 6-metre lane lap pool and a leisure pool, both equipped with barrier-free ramp access to ensure inclusivity for all users. The pool area will also include a variety of water play features, along with a deck and a public viewing area, all within a well-designed pool enclosure.

In addition to these recreation and aquatic facilities, the building will also house common areas, administrative offices, and essential service areas, ensuring seamless operations and welcoming environment for the community.

The childcare component of the facility spans 9,085 square foot (Gross Floor Area) and is designed to accommodate up to 62 children. The space is designed to standards set by the Childcare and Early Years Act, 2014, ensuring a safe and nurturing environment for young learners. The facility includes dedicated outdoor play areas, allowing children to engage in active play to foster creativity, social interaction, and healthy development.

Procurement Process

The Negotiated Request for Proposals (nRFP) Doc4510705018 was issued by Purchasing and Materials Management (PMMD) on April 24, 2024 on the Ariba sourcing platform. Throughout the process, a total of fourteen addenda were issued. The closing date for the proposals was August 28, 2024.

At the time of tender closing, submissions were received from the following four firms:

1. Pomerleau Inc.
2. Buttcon Limited
3. Matheson Fortis JV
4. Corebuild Construction Ltd.

Evaluation of the Negotiated Request for Proposals (nRFP) Submissions

A formal Evaluation Committee was to review the submissions from the four 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 and each of the proposals was assessed according to the following criteria:

- Stage 1: Mandatory Submission Requirements
- Stage 2A: Mandatory Technical Requirements
- Stage 2B: Rated Criteria Evaluation (Technical Evaluation)
- Stage 2C: Supplier Presentation and Interview
- Stage 3: Pricing Evaluation
- 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. Suppliers that did not satisfy the mandatory submission requirements were issued a rectification notice which outlined the deficiencies and provided an opportunity to rectify the shortcoming(s) by a specified date. Following this review process, all four suppliers successfully met the mandatory submission requirements and advanced to Rated Criteria Evaluation (Technical Evaluation).

Stage 2A: Mandatory Technical Requirements

In Stage 2A, each suppliers' 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) have been met. All four suppliers met the mandatory technical requirements and advanced to Rated Criteria Evaluation (Technical Evaluation).

Stage 2B: Rated Criteria Evaluation (Technical Evaluation)

In Stage 2B, each suppliers' technical proposal submission was evaluated against a set of non-price related criteria including Company Profile and Operational Capacity, Organizational Capabilities and Experience, Proposed Project Team, Work Plan and Deliverables, Proposed Project Sub-Contractors Qualifications and Experience, Schedule Management, Budget and Cost Management, References, and Social Procurement and Diversity. The proposals were scored out of a total of 100 points, with each sub-category requiring a minimum of 70 per cent. Out of the four proponents, only Pomerleau Inc. and Matheson Fortis JV met the minimum thresholds across all criteria and successfully advanced to Stage 2C - Supplier Presentation and Interview. Buttcon Limited and Corebuild Construction Ltd did not meet the 70 per cent passing thresholds for certain individual sections of the evaluation criteria and, as a result, were not advanced to the next stage of the evaluation process.

Stage 2C: Supplier Presentation and Interview

In Stage 2C, the qualified suppliers from Stage 2B were invited to provide a presentation. This stage provided an opportunity for suppliers to demonstrate their understanding of the scope of work by highlighting key elements of their bid. Following the presentations, the City's evaluation team reviewed the Stage 2B Technical Proposal Rated Evaluations and made necessary score adjustments based on the clarifications provided during Stage 2C. It is important to note that Stage 2C was not an opportunity for suppliers to make changes and adjustments to their submitted proposal(s) but rather to provide further clarification on the details already submitted. Both Pomerleau Inc. and Matheson Fortis JV met the minimum threshold and advanced to Stage 3 - Pricing Evaluation.

Stage 3: Pricing Evaluation

In Stage 3 - Pricing Evaluation, the pricing submission for the two suppliers were reviewed. The pricing score for the second supplier was then calculated on a pro-rated basis, comparing their prices to that of the lowest-priced proposal. This ensured that the supplier with higher cost was still fairly evaluated relative to the most cost-effective option.

Stage 4: Contract Negotiations

The City met with top ranked proponent Pomerleau Inc. as per the disclosed criteria in the nRFP for the purposes of entering into direct contract negotiations, which were conducted between October 29, 2024 and November 19, 2024 with a focus on various topics, including, but not limited to:

- Pool subcontractor
- Breakdown of divisional pricing
- Material substitutions
- Hourly rates for maintenance services
- Project team member details
- Addition of consequential damages waiver
- Addition of a market standard limit of liability

Upon successful conclusion of negotiations, Parks and Recreation staff reviewed and confirmed the final agreed upon proposal including pricing, subcontractors, material, terms, and conditions.

Fair Wage Office Review

At the conclusion of the procurement process, the Fair Wage Office confirmed that the recommended Supplier, Pomerleau Inc., indicated agreement to comply with the Fair Wage Policy.

Fairness Monitor Report

The City retained the services of a Fairness Monitor to ensure that the entire bidding process provided equal opportunities to all suppliers. The Fairness Monitor provided their report confirming that the procurement process undertaken for the City's nRFP for the construction of the new Western North York Community Recreation and Childcare Centre has been conducted in a fair, open, and transparent manner. The Report is included in Attachment 2

CONTACT

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SIGNATURE

Howie Dayton
General Manager, Parks and Recreation

Geneviève Sharkey
Chief Procurement Officer

Attachments

Attachment 1: Renderings of the Facility
Attachment 2: Fairness Monitor Attestation Report

Attachment 1: Renderings of the Facility



Figure 1 Rendering of the Facility



Figure 2 Toddler Playground



Figure 3 Aquatic Hall and Viewing Area



Figure 4 Gymnasium