



**ENGINEERING AND OPERATIONS DEPARTMENT  
ENGINEERING DIVISION**

**Report Number: 2011-10**

**Date: April 6, 2011**

**SUBJECT: PORT COLBORNE HEALTH AND WELLNESS CENTRE  
TENDER FOR PROJECT CONSTRUCTION**

**1) PURPOSE:**

This report has been prepared jointly by City Staff, the Community Centre Advisory Committee and the City's Consultant Team, consisting of Design Consultants and the Project Manager. The report will present the results of the tender for construction of the project for the consideration of Council.

**2) HISTORY, BACKGROUND, COUNCIL POLICY, PRACTICES**

On August 31, 2010, Report #2010-44 reported to Council on the results of the Project Tender and presented several options for the consideration of Council, given that the tenders all exceeded the pre-tender estimates and the overall budget for the project. After deliberations at the August meeting, the following recommendation was approved:

*"That the Council of the City of Port Colborne hereby rejects all tenders received for the construction of the Port Colborne Health and Wellness Centre and;*

*That Staff and the Consulting Team are hereby directed to proceed with the implementation of Option 3, being a re-engineering and re-tender of the project in 2011."*

In incorporating the goals within the approved Option 3, the following tasks were completed by the design team:

The Consultant team revised the project design to incorporate value management solutions that will reduce the overall cost of the project. The proposed use of alternative materials and alternative design detailing and engineering has been achieved by meeting with representatives from product suppliers and the trades. The revised design and use of alternate materials has been reviewed and discussed with the Advisory Committee.

The Consultant team has made adjustments to the current project design without reducing the functionality of the Project. The program remains intact. This is important from a service delivery point of view and also in order to maintain eligibility for the approved grant funding now in place.

As part of this Option, the team believes that it was necessary to pre-qualify General Contractors again, prior to issuing the revised tender. It was anticipated that a broader spectrum of proponents may show interest in the tender and potentially new proponents may submit a response.

A revised detailed cost estimate prepared by a certified Cost Consultant was prepared for the amended tender documentation prior to issue of the new tender on February 8, 2011. The revised pre-tender total construction estimate, including a 3% construction contingency, was \$28,430,000.00. The total soft costs for consulting fees, FFE and LEED registration add \$3,637,800.00 to the total project cost estimate of \$32,067,800.00. Available funding for the project totals \$33,033,334, which was confirmed and approved in the 2010 Budget under bylaw #5442/39/10.

The original project schedule anticipated Substantial Performance of the new building by May 2012. This date was based on awarding the contract and starting construction in the fall of 2010. The revised timeline for Option 3 would extend the Substantial Performance date by approximately six months to November 30, 2012.

At the closing date of the RFPQ, thirteen General Contractors had made submissions, outlining their experience on similar projects, personnel expertise, methodology/project understanding and work plan, schedule, financial capability to complete the project and receipt of required documentation. A meeting was held on November 30, 2010 to review and score the proposals received for pre-qualification. The review committee consisted of City Staff, a member of Council, staff from the Project Management Consultant, staff from the Design Consultant and a public member of the Advisory Committee. After coming to a consensus score for each proponent, eight proponents were pre-qualified based on the scoring evaluation. The proponents selected were as follows in no particular order:

- Graham Construction
- Giffels Corporation
- Atlas Corporation
- Merit Construction
- Aquicon Construction
- Ledcor Construction
- Aecon Buildings
- Bondfield Construction

A revised set of tender documents were prepared for issue to the pre-qualified general contractors on February 8, 2011. Subsequent to the issuance of the documentation, Ledcor Construction and Aecon Buildings withdrew from the competition. The tender closing date of March 8 was extended twice to March 22, 2011 at the request of several bidders, to allow more time to prepare their bids. During the tender period addenda 1-7 were issued directly by the Consultant team and through the City website to all bidders.

Pending Council approval, the construction contract may be awarded on April 13, 2011 and construction could begin in early May 2011. The forecasted completion is now the winter of 2012.

The redesign and re-tender of the project as well as the extension of the project schedule will necessitate a review of the existing Consulting fee schedule. Fees will be negotiated with the Consultant team. The exact figures are not available at this point in time as adjustments to the scope of work have yet to be negotiated with the General Contractor. Allowances have been made in the overall project budget to incorporate additional consultant fees. Fees will cover the services of the Cost Consultant, revisions

to the drawings and specifications, and additional time for project management due to the extension of the project timeline.

On March 22, a total of five (5) tenders were received and opened and each of the five bids were publicly announced and recorded. The following represents the results of the evaluation by Staff and the Consultant Team of the bids received.

### 3) STAFF COMMENTS AND DISCUSSIONS

#### Tender Results for the Port Colborne Health & Wellness Centre

CONTRACTOR	TENDER PRICE	AGREEMENT TO BOND	TENDER DEPOSIT	RANK
<b>Aquicon Construction</b>	\$26,396,000	YES	YES	1
<b>Graham Construction</b>	\$27,078,000	YES	YES	2
<b>Atlas Corporation</b>	\$27,375,000	YES	YES	3
<b>Merit Construction</b>	\$27,516,000	YES	YES	4
<b>Giffels Corporation</b>	\$28,411,489	YES	YES	5
<b>Bondfield Construction</b>	No bid			
<b>Aecon Buildings</b>	No bid			
<b>Ledcor Construction</b>	No bid			

### 4) OPTIONS AND FINANCIAL CONSIDERATIONS:

#### **Cancel the Tender and Abandon the Project.**

If City Council should chose not to proceed with a contract for the construction of the Health and Wellness Centre, a decision would have to be made on the continued operation of the existing two arenas and pool. The costs for the upgrades and rehabilitation of those facilities have been addressed in a previous study prepared by TSH Engineering in 2005. The retrofit costs are illustrated below:

Facility	Retrofit Costs & Program Improvements
Teeder Kennedy	\$3.383 million
West Side Arena	\$5.6335 million
Centennial Pool	\$4.938 million
<b>Total:</b>	<b>\$13.95 million</b>

It is important to note that these identified costs are not long term facility improvements intended to offer the Community a quality recreational facility over the required +25 year expected lifecycle. The Provincial and Federal government funding commitments totaling approximately \$17 million would have to be declined and any funds received would be returned. Over \$1 million has been expended to date on the project, which would have to be recovered from funds other than the upper level government funding.

In addition there are current contract commitments to both the Design Consultant and the Project Manager that would require negotiations to terminate and incur additional costs.

**This option is not recommended.**

**b) Other Options**

**Award the project as tendered to Aquicon Construction**

In order to obtain a Total Project Cost, we need to incorporate the additional items that are necessary to properly establish the total cost to the City for the development of this project.

CATEGORY	PRICE BID
Construction Bid	\$26,396,000
Alternative Price #1	\$330,000
Revised contract value	\$26,726,000
3% Construction Contingency	\$802,000
Soft Costs, FFE, LEED	\$4,721,000
Total Project Cost	\$32,249,000

**5) COMPLIANCE WITH STRATEGIC PLAN INITIATIVES**

Not applicable.

**6) ATTACHMENTS**

- Appendix 1. Updated Project Schedule based upon the dates forecast in the tender documents. NOTE: These dates need to be confirmed by the General Contractor following award of the contract.

**7) RECOMMENDATION**

***That the Council of the City of Port Colborne award the tender for the construction of the Port Colborne Health and Wellness Centre to Aquicon Construction for the total tendered price of \$26,726,000.00; and further,***

***That a Contract By law, whereby the City enters into a Contract Agreement with the contractor be prepared.***

**8) SIGNATURES**

Prepared on April 6, 2011 by:

Reviewed by:

Ron Hanson, C.E.T.  
Director, Engineering & Operations

Peter Senese  
Director of Corporate and Community  
Services

Reviewed and Respectfully Submitted:

Reviewed by:

Robert J. Heil  
Chief Administrative Officer

Councilor Bill Steele  
Chair, Health & Wellness Advisory  
Committee