

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON AUGUST 13, 2019
FROM:	SCOTT STAFFORD MANAGING DIRECTOR, PARKS & RECREATION
SUBJECT:	EAST LIONS PARK TENDER 19-68 – IRREGULAR RESULT

RECOMMENDATION

That, on the recommendation of the Managing Director, Parks and Recreation, the following actions BE TAKEN with respect to Tender 19-68:

- (a) The bid submitted by Frank Van Bussel & Sons Ltd., 3 Ilderbrook Circle, Ilderton, Ontario, N0M 2A0, to construct East Lions Park in accordance with T19-68, at its tendered price of \$1,399,999.96 excluding HST **BE ACCEPTED**; it being noted that the bid submitted by Frank Van Bussel & Sons Ltd was the only bid received and meets the City’s specifications and requirements in all areas;
- (b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached as Appendix “A”;
- (c) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (d) The approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract with the contractor for the work; and
- (e) The Mayor and City Clerk **BE AUTHORIZED** to execute any contract or other documents, if required, to give effect to these recommendations.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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- Parks and Recreation Strategic Master Plan Update (CPSC – June 2019)
- East Community Centre Tender 17-67 (CPSC – October 2017)
- Update on East Community Center Build Project (CPSC – June 2017)

2019-2023 STRATEGIC PLAN

This project builds on all five of Council’s Strategic Areas of Focus:

1. Strengthening Our Community – as one piece of the parks and recreation system adjacent to the new East Community Centre, the East Lions Park site will contribute to strengthening neighbourhoods by creating new opportunities for a diverse population of residents to lead healthy, and socially active lives.
2. Building a Sustainable City – this project will create a “*beautiful place and space*” within the community and will also include a naturalized dry pond to collect storm water and promote infiltration.
3. Growing Our Economy - investment in the parks and recreation system attract growth and investment, and revitalize existing park infrastructure.
4. Creating a Safe London for Women and Girls – this site will also provide a safe access route to the East Community Center.

BACKGROUND

Purpose

This report is submitted to seek Council approval to enter into a formal contract with Frank Van Bussel & Sons Ltd. for the construction of East Lions Park at 1731 Churchill Avenue, in accordance with T19-68.

Context

The City of London retained the services of MacLennan Jaunkalns Miller Architects Ltd. (MJMA) in December 2015 to design a new community center and create a Park Master Plan for the whole site at East Lions Park. Ron Koudys Landscape Architects was later retained in 2018 to proceed with a detailed design for the park portion based on the Master Plan. The new park is intended to provide an irrigated soccer field, a tennis court, two (2) pickleball courts, a basketball court (that can be also used as a flooded ice rink in winter), a ping pong table, pathways, seating, trees, a naturalized dry pond, and lighting. The new park will serve both the sports groups & community center clients, as well as area residents. Many community Open Houses and Information Sharing Sessions were held in the past few years (March 2016, June 2016, February 2017 and April 2018) to present the proposed park plans along with the community center plans, and to gather community feedback on the design. The detailed design has been adjusted to respond to comments received. Construction is scheduled to begin in the fall of 2019 with project completion in 2020.

DISCUSSION

Purchasing Process

Given the complexity of this construction project and the commitment to quality, a pre-qualification process was initiated through our Purchasing department whereby experienced general landscape contractors were invited to submit their company profile, qualifications and experience constructing similar types of projects (municipal parks with sports fields, civil engineering and electrical servicing). Seven (7) general contractors met the minimum criteria and were prequalified to be able to submit tender pricing for the project.

Tenders for the Construction of East Lions Park were received on July 10, 2019. The bid submitted by Frank Van Bussel & Sons Ltd. was the only bid received which constituted an Irregular Result, as per section 8.10 of the Procurement of Goods and Services Policy. Reasons for declining to bid from others included lack of available time or resources due to current workload or vacation absences. The bid does however meet the City's specification and requirements in all areas. A summary of bid received is attached as Appendix "B". While exceeding the City of London's approved capital budget, this contractor has provided competitive bids in the past. We have also been satisfied with the quality and timeliness of the work done by this contractor on other park projects in recent years.

At this time, the bid submitted by Frank Van Bussel & Sons Ltd. still offers a good value to the City and has the best chance to get this project completed as per our schedule and public expectations, so it is recommended that they be awarded the contract for the work.

Costing

The original budget for this project (\$750,000 – including the consulting fees) was established using industry standard cost guides and past experience on similar projects for the City of London. \$93,000 has already been committed to this project for engineering work to date.

A number of cost estimates were completed during the detailed design phase by the consultant. The final cost estimate for the project was valued at \$1,227,000 and at the time, Civic Administration had \$1,000,000 set aside for construction, (after allocating funding from other related projects) for construction of East Lions Park in anticipation of a larger cost estimate. The additional \$227,000 in the pre-tender cost estimate was associated with lighting along walkways to ensure safe travel to and from the community center and the need to install a higher end soccer field which included tile drainage and irrigation. Parks & Recreation allotted additional funding within the approved capital budget for these amenities as they were/are a high priority for the neighbourhood and sport groups. The bid received from Frank Van Bussel & Sons Ltd. exceeded

the pre-tender estimate by approximately \$172,500.

The closing tender value (including contingency) is approximately 15% higher than the pre-tender estimate. Park & Recreation staff feel that this is acceptable, noting that the construction industry is currently very busy which has impacted costs from manufacturers, suppliers and sub-contractors.

Options

On receiving the tender summary, Civic Administration reviewed potential options. The following options were considered:

- Retender the project immediately. This would require a reduction in project scope by 15%. To re-design and reduce the scope by 15% would require the loss of significant features that were promised to the community (i.e. a number of features such as tennis courts, pickleball courts, basketball courts, trees, pathways, lighting, etc.). This will certainly create disappointment in the sporting and resident community and there is no guarantee that the City will get a better price, as there is a significant risk that construction costs will continue to rise. There was also concerns associated with a less experienced contractor potentially undertaking this high priority project.
- Find additional sources of funding within the Parks & Recreation approved budget and award the contract to the one bidder. This has the best chance to provide the City with a complete recreational amenity that meets the needs of sporting groups and residents in a timely fashion.

Civic Administration therefore recommends awarding the tender to Frank Van Bussel & Sons Ltd., at its tendered price of \$1,399,999.96 excluding HST with the funding shortfall in the project sourced from Parks & Recreation approved capital budgets as well as \$40,000 from Forestry to assist with tree planting. Further details are outlined in the “Financial Implications” section below.

Financial Implications

Sources of financing for this project are identified in Appendix A. The funding shortfall from the original budget is \$743,000. This shortfall will be accommodated as follows:.

- \$250,000 will be deferred from urban park improvements at Carfrae Park. This project was included in the One River EA, so detailed design has not begun. The project has been re-budgeted in the draft 2020 budget so that design can occur in 2020, followed by construction in 2021.
- \$100,000 will be eliminated from funding set aside for North East Park. There had been consideration to install a soccer field at this park to serve local sport groups, but it has been confirmed that this is no longer required.
- \$150,000 has been allocated from funding to maintain sports parks, to support lighting upgrades at East Lions Park.
- \$40,000 has been contributed from Forestry tree planting accounts to support tree planting on this project (approximately 55 trees).
- \$203,000 has been allocated from the life cycle renewal accounts for the City’s multi-use park pathway system. This impact has been offset by recent Federal and Provincial infrastructure grants which allowed the City to re-develop large sections of the pathway system over the past three years on a 1/3 cost sharing basis.

CONCLUSION

Civic Administration has reviewed the one tender bid submitted for T19-68 and recommends Frank Van Bussel & Sons Ltd. be awarded the construction contract for the East Lions Park project.

SUBMITTED BY:	RECOMMENDED BY:
JEFF BRUIN MANAGER, PARKS PLANNING & DESIGN, PARKS AND RECREATION	ANDREW MACPHERSON DIVISION MANAGER, PARKS PLANNING & OPERATIONS, PARKS AND RECREATION
RECOMMENDED BY:	REVIEWED AND CONCURRED BY:
SCOTT STAFFORD MANAGING DIRECTOR, PARKS AND RECREATION	IAN COLLINS DIRECTOR, FINANCIAL SERVICES

Attachment: APPENDIX “A” – Sources of Financing
 APPENDIX “B” – Summary of Bids

cc: Donna Baxter, Manager, Policy & Planning
 Alan Dunbar, Manager, Financial Planning & Policy
 Jon-Paul McGonigle, Division Manager, Culture, Special Events and Sport Services
 Paul D’Hollander, Manager, Neighbourhood Operations
 John Freeman, Manager, Purchasing & Supply
 Billy Sevier, Procurement Officer, Purchasing & Supply
 John Devito, Manager, Facilities Design & Construction