

TO:	CHAIR AND MEMBERS COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MEETING ON AUGUST 13, 2019
FROM:	SCOTT STAFFORD MANAGING DIRECTOR, PARKS & RECREATION
SUBJECT:	KILALLY FIELDS TENDER 19-67 – IRREGULAR RESULT

RECOMMENDATION

That, on the recommendation of the Managing Director, Parks and Recreation, the following actions BE TAKEN with respect to Tender 19-67:

- (a) The bid submitted by Graceview Enterprises Inc., 51200 Yorkie Line, Belmont, Ontario, N0L 1B0, to construct the Kilally Sport Fields as per T19-67, at its tendered price of \$4,175,080.53 excluding HST **BE ACCEPTED**; it being noted that the bid submitted by Graceview Enterprises Inc. was the lowest bid received and meets the City’s specifications and requirements in all areas;
- (b) In addition to the base bid, the provisional items towards a LED scoreboard in the amount of \$67,250.00 (including all electrical and excluding HST) be added to the contract amount, noting that sports users groups may contribute financially to this item in the future;
- (c) In addition to the base bid, a contingency representing 5% of the bid or \$208,754.00 be added to the total contract amount;
- (d) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached as Appendix “A”;
- (e) The Civic Administration **BE AUTHORIZED** to undertake all the administrative acts that are necessary in connection with this project;
- (f) The approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract with the contractor for the work; and
- (g) 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)
- RFP18-11 Consulting Services Kilally Fields (CPSC – June 2018)

2019-2023 STRATEGIC PLAN

This project builds on many of Council's Strategic Areas of Focus:

1. Strengthening Our Community – as one piece of the parks and recreation system, the Kilally Sport Fields 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 preserve strong and healthy environments by creating a naturalized buffer to the adjacent Kilally Meadows ESA.
3. Growing Our Economy - investment in the parks and recreation system attract growth and investment and promote sports tourism.

BACKGROUND

Purpose

This report is submitted to seek Council approval to enter into a formal contract with Graceview Enterprises Inc. for the construction of Kilally Fields Sport Park at 1400 Adelaide Street North.

Context

The City of London retained the services of Landscape Planning Limited in June 2018 to design a new sports park for the Kilally Fields site. The new sports complex is intended to provide additional baseball diamonds and accommodate growth. It will also accommodate a growing need for cricket by adding a regulation size pitch to our current inventory. The plans for the site include a regulation-size cricket pitch, two (2) Bantam-size baseball diamonds, a small fieldhouse, as well as a playground, pathways, and parking areas. It will serve both the sporting community as well as area residents. A naturalized buffer and a series of bio-retention basins (LID's) will also help protect the adjacent Kilally Meadows Environmentally Significant Area. A community Open House was held in January 2019 to present a proposed concept plan and to gather community feedback on the design. The final 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 park with fieldhouse building, civil 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 the Kilally Fields were received June 27, 2019. The bid submitted by Graceview Enterprises Inc. was the lowest of five (5) bids received and meets the City's specifications and requirements in all areas. A summary of bids received is attached as Appendix "B". While exceeding the City of London's approved capital budget, a review and analysis has shown that these are competitive bids (\$25,850.76 separate the lowest and second lowest bids) that are reflective of the type and complexity of work required for the successful delivery of this project.

The bid submitted by Graceview Enterprises Inc. offers the best value to the City and it is recommended that they be awarded the contract for the work.

Costing

The original construction budget for this project (\$3,700,000 – including the consulting fees) was established using industry standard cost guides and past experience on similar projects for the City of London.

A number of cost estimates were completed during the detailed design phase by the consultant. The final cost estimate for the project was \$3,275,000, but Civic Administration had set aside approximately \$3,400,000 as a construction budget (plus \$300,000 engineering budget). The lowest bid received from Graceview Enterprises Inc. is over the construction budget by approximately \$775,000.

This cost increase is consistent with the recent escalation in construction costs that has been observed across the construction industry. The construction industry is currently busy which has impacted costs from manufacturers, suppliers and sub-contractors. The schedule of this project is also very aggressive, due to the pressing need of adding more sports fields to our inventory, and meeting optimal grass seeding window.

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 asked for by the community (i.e. fieldhouse or a number of features such as trees, playground, pathways, etc.). There is no guarantee that we will get a better price as there is a significant risk that construction costs will continue to rise. Additional costs would be incurred to redesign the project. It would also delay construction by six (6) months.
- Find additional sources of funding and award the contract to the lowest 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 Graceview Enterprises Inc., at its tendered price of \$4,175,080.53 excluding HST. Resolution of the funding shortfall is outlined in the “Financial Implications” section below.

The provisional items towards a LED scoreboard in the amount of \$67,250.00 (including all electrical and excluding HST) are also recommended to be added to the contract amount, noting that sports users groups may contribute financially to this item in the future.

In addition, a 5% contingency in the amount of \$208,754.00 is requested to be approved, to cover any unforeseen circumstances that may arise during construction. If none arise, this money will be reallocated back to the original projects.

Financial Implications

Sources of financing for this project are identified in Appendix A.

The total funding shortfall for this project is \$1,013,000 consisting of \$775,000 from the construction tender, \$67,250 for the scoreboard, \$208,754 for the contingency, less \$38,000 from a positive engineering variance.

The \$1,013,000 shortfall will be accommodated as follows:

- \$191,000 will be funded from the open space network account. This funding was intended for Dingman Creek but this project has been deferred to future years.
- \$79,000 has been contributed by Forestry from tree planting and woodland management accounts to support costs associated with planting approximately 340 caliper native trees on this project site.
- \$366,000 will come from an increased draw from the City Services Parks & Recreation Reserve Fund to support the growth portion of the variance. The balance in this reserve fund will be monitored and issues with future balances may require deferral of other parks growth projects.
- \$377,000 will be allocated from a growth project for new sports parks that was designated for a turf field, recognizing the superior field that will be created at Kilally Fields.

Future Operational Costs

Civic Administration will follow the usual process to prepare a 2021 Assessment Growth case to provide the necessary funding for the net operating costs of the facility. It is estimated that the total operating costs per year for the Kilally Sport Fields and surrounding park amenities will be approximately \$85,000 per year.

CONCLUSION

Civic Administration has reviewed the tender bids and considered options, and recommends the low bid, Graceview Enterprises Inc., be awarded the construction contract for the Kilally Sport Fields project.

SUBMITTED BY:	RECOMMENDED BY:
JEFF BRUIN MANAGER, PARKS PLANNING & DESIGN, PARKS AND RECREATION	ANDREW MACPHERSON 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: 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