



PROCUREMENT AWARD

To: Mayor Strathdee and Members of Council

Prepared by: Grant Brouwer, Director of Building and Development

Date of Meeting: 13 March 2018

Subject: **DEV 08-2018 Cadzow Pavilion and Performing Arts Stage**

PROJECT DETAILS

In 2014, the revitalization of Cadzow Park began with the removal of the old Youth Centre / Friendship Centre Building. In 2015 extensive planning went into developing a plan for the future use of the park space. A consultant was retained and proposed four different concepts. After a public review process, Council voted on the four designs and decided to incorporate "Concept D". Concept D's features include a splash pad, new multi-generational playground (ages 2-12), pavilion, band shell, a larger parking lot, a patio area, and a trail system connecting all of the features. In 2016, Cadzow Pool was removed to allow the Town to proceed with building the new park concept.

Step one of the re-development was to build the new playground. This was completed in the summer of 2017. Step two of the re-development was to build the splash pad which Town Council awarded on February 27 of this year. Step three of the re-development is to build a Pavilion and Performing Arts stage in the park. Town Council has pre-approved \$175,000.00 for the project within the 2018 capital budget.

RECOMMENDATION

THAT DEV 08-2018 Cadzow Pavilion and Performing Arts Stage be received; and,

THAT, in accordance with Section 9.1(b)(v) of the Town's Procurement By-law, Council authorizes a sole source procurement for Cadzow Pavilion and Performing Arts Stage to IntegriBuild Construction Management Inc. for the procured price of \$151,213.78, inclusive of all taxes and contingencies; and,

THAT subject to the requirements of the Procurement By-law, staff be authorized to approve any necessary contingencies during the construction of the Pavilion project up to, but not exceeding, the 2018 approved amount of \$175, 000.00: and,

THAT By-Law 27-2018 authorizing the Mayor and the Clerk to sign the associated agreement be approved.

PROCUREMENT SUMMARY

Council's approved capital budget for the pavilion/soundstage construction is \$175,000. The RFP advised proponents that the Town had a maximum budget of \$140,000.00 which allowed for a contingency of \$35,000.00 within the approved budget of \$175, 000.00. The contingency is set for the restoration of the surrounding area adjacent to the pavilion, servicing the pavilion with both water and waste water as well as electrical. If the contingency is not required it will be put back into the park.

The RFP advised proponents that the deadline for project completion was June 08, 2018.

A procurement document was administered for the above noted project. The following is a summary of the procurement results, as well as a recommendation for a successful proponent:

Procurement Information	Details and Results
Tender Closing Date:	Tuesday, February 28, 2017
Number of Bids Received:	one (1) – IntegriBuild Construction Management Inc.
Successful Proponent:	TBD – Council Direction Required
Cost Result Based on Staff Imposed Budget Limit for the Tender	
Staff Imposed Cost Limit in RFP:	\$140,000.00 (inclusive of HST)
Cost Result – Successful Bid (Inclusive of HST):	\$151,213.75
Project Over Bid (Inclusive of HST):	\$ 11,213.75 (over)
Cost Result Based on Council Approved Capital Budget	
Council Approved Capital Budget:	\$175,000.00
Cost Result – Successful Bid (Inc. Net of HST rebate):	\$133,817.50
Project Over/Under Council Approved Budget:	\$41,182.50 (under, net of HST)

The Director of Building and Development and the Facilities Supervisor graded the proposal ensuring all criteria of the RFP had been met. Upon review of the tender submitted there are two key discussion points with Council. First, only one bid was submitted for this project despite a number of contractors attending the site meeting. To determine why there was not a strong uptake in the RFP staff have follow-up with a local contractor (McLean Taylor) who attended the site meeting. Staff were informed that the construction industry is exceptionally busy in 2018 and many contractors are either booked, or are bidding on other tenders and most likely felt they could not commit to this project. From staff's perspective, it is also likely that the completion deadline imposed of June 08, 2018 was a deterrent.

The second issue to review in this procurement is that the sole proposal submitted is over the staff imposed project cost limit. Within the RFP staff instructed proponents that the maximum available budget for the project was \$140,000 (including HST) to ensure there was \$35,000 contingency left available for the project. The RFP received from IntegriBuild is \$151,213.75 (including HST) which is over the cost limit imposed by staff. As a result, the Town is in a position where none of the bids received meet the specifications outlined in the RFP, and the project could be retendered. Retendering does come with project delivery risks which are outlined below.

In this current situation, the Procurement by-law provides Council with an alternative to retendering. Section 9.1 (b) (v) of the by-law provides Council with the ability authorise a sole source purchase in situations where "all bids received fail to meet the specifications or terms or conditions of the bid document and it is impractical to recall the process".

It is staff's opinion that Section 9.1(b)(v) of the by-law is applicable to this situation, and Council could authorize a sole source of the project to IntegriBuild. When providing this opinion, staff have taken into consideration the fact that the term/condition that was not met was a non-technical specification. The term that was missed was a staff-imposed cost limit that was well below Council's approved budget for the project. From a technical standpoint, the proposed sound stage and pavilion from IntegriBuild will meet all of the technical and construction expectations of the RFP. In addition, when compared to Council's approved budget of \$175,000, the total cost forecasted from the IntegriBuild proposal will be \$41,182.50 under budget, thus providing a healthy contingency for the project. Lastly, it may be impractical to recall the process and retender. Given how busy the construction industry is in 2018, it

is almost certain that the deadline of June 08, 2018 would not be met if the project is retendered. In addition, there is a real possibility that the project may receive no bidders if it is retendered with a fixed deadline to complete the construction before July 1. If the project is retendered, the Town would have to be willing to leave the deadline for completion open based on contractors' availability to attract more bidders.

If Council were to choose to proceed under section 9.1(b)(v) of the procurement by-law, the contractor is prepared to begin work on the pavilion/sound stage immediately following the Town's internal vetting process. This process includes consultation with the Town staff technical team overseeing the Cadzow Park Revitalization project, and consultation with the Town's Accessibility Advisory Committee. Staff are to meet with the Lions Club the week of March 19th to review the design that has been submitted. Staff will also the Accessibility Committee during the same time frame.

With the playground and splashpad components of the Cadzow Revitalization Project there was a substantial public engagement campaign completed to assist in determining the winning proposals. Had multiple proposals for the pavilion/sound stage been received, it was staff's vision to replicate this process again. Given the current circumstances, it may not be fully beneficial to send the proposed pavilion/sound stage design to the public review process. The value of public consultation is reduced because there are not multiple design options to choose from. There is also the concern that any public feedback collected may not be able to be acted upon because there is only one option meaning there is less flexibility to modify the design.

So Council is aware, to make this a truly "community" project, staff have been asked to find in-kind donations for local vendors. Staff is actively securing in-kind donations of the following:

1. Water servicing – the Town will be installing new water lines to the Cadzow bath house, the Pavilion and to the splash pad. The rough estimate for this work is \$20,000-\$25,000. A local contractor has been approached to provide in-kind donations towards these components.
2. Electrical – the Town will be running electrical lines from the Cadzow bath house to the splash pad control vault and the Pavilion. The rough estimate for this work is \$7,000.
3. Limestone – the Town will be installing seating throughout the park with limestone from St Marys Cement. Local landscape contractors have been approached to provide in-kind donations towards these component.
4. Concrete works – the Town will be installing an apron around the splash pad, and a small patio in front of the performing stage. Local contractors have been approached to provide in-kind donations towards these components.

SUMMARY

The RFP for the Cadzow Park pavilion / performing arts stage closed with only one bid from IntegriBuild Construction Management Inc. The proposal submitted by IntegriBuild was at a cost of \$151,213.75 (including HST) which exceeds the cost limit of \$140,000 that was published by staff in the RFP.

The Town is in the position where none of the bids for the Cadzow pavilion / performing arts stage meet the specifications of the RFP. Accordingly, the pavilion / performing arts stage could be retendered, which does come with project delivery risks. Given feedback from local contractors, there is a real possibility that the project may receive no bidders if retendered. Secondly, the project deadline of June 08, 2018 would not be met.

In this current situation, it is staff's opinion that opinion that Section 9.1(b)(v) of the by-law is applicable, and Council could authorize a sole source of the project to IntegriBuild because it would be impractical to recall the tendering process. The proposal from IntegriBuild does meet the technical/construction expectations of the RFP. When compared to Council's approved budget of \$175,000, the total cost forecasted from the IntegriBuild proposal will be \$41,182.50 under budget, thus providing a healthy contingency for the project.

FINANCIAL IMPLICATIONS

The funding sources for the above noted project are as follows:

9153 CADZOW SPLASHPAD	\$175,000.00
Total	\$175,000.00

When compared to Council's approved budget of \$175,000, the total cost forecasted from the IntegriBuild proposal will be \$41,182.50 under budget.

STRATEGIC PLAN

- This initiative is supported by the following priorities, outcomes, and tactics in the Plan.
- Pillar #4 Culture and Recreation: Strategic Priority for "A Focused Parks Strategy"
 - Outcome: St. Marys' parks are not only a prized asset, they are also a natural gathering place that can be optimized and incorporated into enhancing the cultural profile of St. Marys.
 - Tactic(s): Perform an initial assessment of necessary improvements (beautification, accessibility, etc.). Preserve Cadzow Park as a quiet, residential, family-oriented park. Continue investments in Cadzow Park as a family-oriented public space.

OTHERS CONSULTED

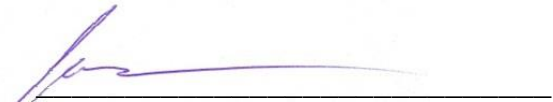
Brent Kittmer – CAO
Jim Brown-Treasurer
Stephanie Ische-Director of Community Services

ATTACHMENTS

1. Concept Site Plan
2. Floor Plan
3. Materials List
4. Concept Proposal

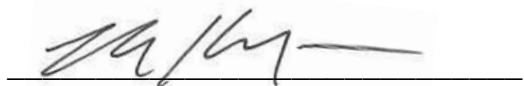
REVIEWED BY

Recommended by the Department



Grant Brouwer
Director of Building of Development

Recommended by the CAO



Brent Kittmer
CAO / Clerk