



Report to: General Committee

Report Date: June 8, 2009

SUBJECT: Contract Award 121-T-09 Markham Museum Collections Building Construction

PREPARED BY: Gary Adamkowski, MHPM Project Managers Inc., (905) 475 3393
Michael Shatil, Manager Facility Assets, Ext: 2379

RECOMMENDATION:

- 1) **THAT** the report titled “Contract Award 121-T-09 Markham Museum Collections Building Construction” be received;
- 2) **AND THAT** staff be authorized to award contract 121-T-09 to the lowest priced qualified bidder, Struct-Con Construction Ltd., for the construction of Markham Museum Collections Building, in the amount of \$6,012,588 exclusive of GST;
- 3) **AND THAT** a contingency amount of \$901,888, exclusive of GST, be established to cover any additional construction or design costs, and that the Director of Asset Management, or his designate, be authorized to approve the expenditure of this contingency amount up to the specified limit in accordance with the Town’s Expenditure Control Policy;
- 4) **AND THAT** the awards be funded from the Markham Museum Collections Building project budget account 073-5350-8247-005 (construction costs) and 073-6150-7415-005 (contingency) in the amount of \$6,914,476; and,

THAT staff be authorized and directed to do all things necessary to give effect to this resolution;

PURPOSE:

The purpose of this report is to seek Council approval to award the construction contract for the Markham Museum Collections Building.

BACKGROUND:

The Council Committee adopted, in part, the following resolution at their November 11, 2008 meeting:

“That the Ventin Group be authorized to proceed with the Collections Building detailed design, site plan application and the tendering for the project; and,

That staff report back to General Committee to award the construction tender for the project;”

Detailed design drawings, site plan application and technical specifications were produced accordingly. Tender for the construction phase of the project closed on June 8, 2009.

OPTIONS/ DISCUSSION:**PREQUALIFICATION**

As a result of less-than-satisfactory performances by general contractors on recent construction projects, staff developed a much more rigorous pre-qualification screening process to short-list quality bidders and thereby ensure the work is awarded to a quality contractor. The prequalification package was issued in accordance with the Purchasing By-law 2004-341. A total of 24 potential contractors responded to an invitation for pre-qualification as a general contractor for the construction of the Collections Building.

After careful evaluation, by a team consisting of the Project Architect, an external Project Manager, and, staff, followed up by reference checks on short-listed firms, 7 firms pre-qualified as having the necessary qualifications, experience and resources to complete the works within the project timelines (3 eventually submitted bids).

PREQUALIFICATION INFORMATION

Advertised ETN, date	March 20, 2009
Prequalification closed on	April 3, 2009
Number of contractors picking up bid documents	73
Number of contractors responding to bid	24
Number of contractors prequalified	7

CONSTRUCTION TENDER

The construction tender #121-T-09 was issued in accordance with the Purchasing By-law 2004-341. Asset Management, Purchasing staff, the Architectural/Engineering Consultant and the Project Manager have reviewed the bid documents and are satisfied that all terms, conditions, bid prices and specifications comply with the Town's requirements. The tender results are summarized below:

BID INFORMATION

Tender release	May 1, 2009
Bids closed on	June 8, 2009
Number of contractors picking up bid documents	7
Number of contractors responding with valid bid	3

* Two (2) contractors who were pre-qualified declined due to volume of work and two declined due to timing and other commitments.

DETAILED PRICE INFORMATION:

	Contractors	Bid Price *
1	Struct-Con Construction Ltd.	\$6,012,588
2	Aquicon Construction Co. Ltd.	\$6,886,900
3	Bertram Construction & Design Ltd.	\$7,105,000

* Bid Price includes separate prices requested within the tender document for Limestone walls, Cedar fence and reinforced concrete panel / metal roof for existing Reception Centre.

Prior to tendering, The Architectural/Engineering Consultant had engaged a cost consultant to provide an estimate of the construction cost of the project at approximately 80% design. Based on typical mid-range costs, the consultant estimated a value of \$6,600,000 exclusive of GST. The low bid is 10% under this estimate.

FINANCIAL CONSIDERATIONS AND TEMPLATE:

The following table is a summary of the financial considerations for this report:

Original Budget and Account #	\$9,158,000	Various Collections Building Accounts
Current Budget Available (unspent)	\$6,916,128	
Less Cost	(\$6,012,588)	Awarded to Struct-Con Construction Ltd.
Less Contingency	(\$901,888)	
Budget Remaining	<u>\$1,652</u>	

COST SUMMARY:

	Budget	Spent	Committed	Estimated to Commit	Award	Available
Construction	6,340,000		26,000		6,012,588	301,412
Contingency	756,974	17,402	14,000		901,888	(176,316)
Furniture/Fixtures	840,000			840,000		0
Design	808,026	520,010	240,976	95,000		(47,960)
Project Mgmt	240,000	96,374	130,283	20,000		(6,657)
Internal/Other	173,000	12,777	29,050	200,000		(68,827)
Total	9,158,000	646,563	440,309	1,155,000	6,914,476	1,652

PROPOSED FUNDING SOURCES:

It is proposed that the Contingency deficit will be funded through the funds available from the Construction budget. The construction budget of \$6,340,000 currently consists of \$854,500 to be funded from the Cultural Spaces Canada Program. Out of this, the Town has received \$113,368 so far and will receive further reimbursements as project expenditure reports are submitted to Canadian Heritage Ontario.

ENVIRONMENTAL CONSIDERATIONS:

The design of the Markham Museum Collections Building incorporates sustainable and environmentally friendly features, including a ground source heating and cooling (geothermal) system. The project will pursue the LEED Silver Certification level.

ACCESSIBILITY CONSIDERATIONS:

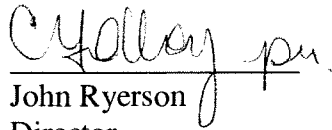
The facility has been designed in accordance with all requirements of the Ontario Building Code as well as the current (2007) Accessibilities Guidelines of the Town.

ENGAGE 21ST CONSIDERATIONS:

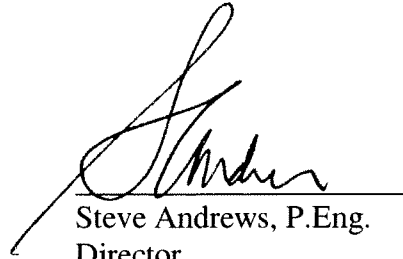
The project aligns with the following Town of Markham corporate goals: Infrastructure Management, Economic Development, Quality Community and Environmental Focus.

BUSINESS UNITS CONSULTED AND AFFECTED:

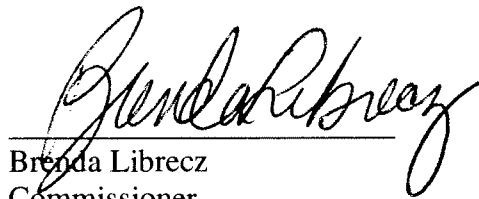
Markham Museum; Financial Services



John Ryerson
Director,
Culture



Steve Andrews, P.Eng.
Director,
Asset Management



Brenda Librecz
Commissioner,
Community and Fire Services