



## STAFF REPORT ACTION REQUIRED

12.

### Fairview Branch – Award of Tender

<b>Date:</b>	September 24, 2012
<b>To:</b>	Toronto Public Library Board
<b>From:</b>	City Librarian

### **SUMMARY**

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To request Toronto Public Library Board approval to employ the services of a General Contractor for the renovation of the Fairview Branch, as per Toronto Public Library's (TPL's) drawings and specifications and to request approval for an increase to the award for architectural services to Makrimichalos-Cugini Architects.

### **RECOMMENDATIONS**

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#### **The City Librarian recommends that the Toronto Public Library Board:**

1. awards the contract to the lowest bidder, The Atlas Corporation, for the renovation of the Fairview Branch, at a cost of \$4,328,500, which includes a contingency of \$393,500 [excluding Harmonized Sales Tax (HST)];
2. approves increasing the contract for architectural services to Makrimichalos-Cugini Architects by an amount of \$95,823 for a total cost of \$337,623 [excluding Harmonized Sales Tax (HST)]; and
3. authorizes and directs the appropriate Library staff to take the necessary action to give effect thereto.

### **FINANCIAL IMPACT**

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The total award amount of \$4,328,500, which is comprised of the construction tender amount of \$3,935,000, plus the contingency of \$393,500 (excluding HST), is part of the TPL's approved capital budget. The total contract of \$337,623 for architectural services, which includes the increase of \$95,823, is part of the TPL's approved capital budget. Funding for the Fairview renovation is being provided from two sources: the Fairview capital project with a total value of \$4,641,000; and from the 2013 multi-branch capital project which has \$200,000 allocated for the Fairview fire alarm.

An amount of \$230,000 was re-allocated to the Fairview capital project from the Mount Dennis project, which is under budget, in accordance with section 9.1.5 of the approved Financial Control Policy, bringing the budget of the Fairview capital project to \$4,641,000. The instruction to amend the budgets for the Fairview and Mt. Dennis capital projects has been forwarded to the City, and the change to the 2012 budget will be reflected later in the year.

The Director, Finance and Treasurer, has reviewed this financial impact statement and is in agreement with it.

## **COMMENTS**

The Fairview Branch is a 64,670 square foot building, which first opened to the public in 1976. The Fairview Branch renovation is an approved project in the Library's capital program, and provides for the renovation of the existing 14,805 square feet and expansion of the entrance by 2,672 square feet. The project is required to give the Fairview District Branch the operational efficiency needed to meet the needs of existing customers and attract new ones. The project will improve and highlight access to the building, with way-finding and increased security and street presence; support more efficient operations by reconfiguring space to allow for installation of a sorter and self-serve check-in; and enhance customer service by reducing congestion and noise, and improving accessibility, including expanded washroom facilities. Theatre operations will be enhanced with an enclosed theatre box office and refreshment stand, improvements to aisle and ramp lighting and accessible seating and better access to backstage, dressing and green rooms. Sound separation between the theatre and the library public space is required. SOGR upgrades (HVAC, exterior doors and washrooms) will provide better customer service. A staff reduction with operating budget savings will result from this renovation project.

### **Architects for the project**

Makrimicholas-Cugini Architects was awarded the contract to provide architectural services for the Fairview renovation project, in November 2010, through a competitive request for proposal (RFP). The award was for \$241,800, based on a fee of 7.8% of the construction cost. At the time the capital budget was established in 2010, the construction cost was estimated at \$3.1 million. Due to recent changes in the Ontario Building Code (for energy efficiency and the fire alarm) the construction costs have increased to the tender amount and contingency recommended in this report: \$4.3285 million. The resulting increase in the architect's fees, based on 7.8%, is \$95,823. The increase is beyond 10% of the initial award and therefore requires Board approval.

Throughout the design process, the Library has worked with the architects and cost consultants to refine the scope of the project within the funding envelope. The additional requirements for energy efficiency and fire alarm changes due to recent changes in the Ontario Building Code have been the primary reasons for adjusting the budget.

## **Pre-qualification of general contractors**

The pre-qualification process precedes the call for tender where the nature and complexity of the work involved warrants the effort to pre-select the most experienced and qualified general contractors. On May 10, 2012, an advertisement was placed in the Daily Commercial News for general contractors interested in bidding on this project.

General contractors interested in being pre-qualified to bid on the project had to submit the following:

- Completed CCA Document no. 11, Contractor's Qualification Statement (A standard form for obtaining information on capacity, skill and experience of contractors bidding on building construction projects.)
- Resumes of management to be assigned to the project
- Letter from a nationally-recognized surety company stating total bonding limit, current bonding committed, and confirming availability of required bonding for this project: 50% performance bond and 50% labour & material payment bond
- Detailed description of the contractor's health and safety policy and written confirmation that all health and safety policies will be followed for the duration of the project
- Submissions of the most recent CAD7 – Calculations and Profiles issued by WSIB and CSA (The CAD-7 program compares an expected accident cost and expected frequency count to the actual numbers for a firm.)
- Indication from the proponent of any pending litigation or dispute involving the pre-qualifying firm
- Current Certificate of Insurance; the Library requires a minimum 3<sup>rd</sup> party liability of \$2 million
- Three references from previously completed and/or presently under construction library facilities or similar projects such as community centres or schools
- Written acceptance that the General Contractor, if awarded the construction contract, will employ one pre-selected youth, selected by the City of Toronto's Youth Programs Coordinator, on the Library Construction site, for the entire duration of the construction project.

The pre-qualification process included an assessment by the Architects and Library staff, based on the submitted documentation and the Library's experience of previous performance in a number of areas, including but not limited to: similar work, scheduling, construction management, workmanship, final completion, correction of deficiencies and health and safety. Contractors with a negative assessment of submission requirements or previous performance were not recommended for pre-qualification. In total, 20 submissions were received and upon evaluation of the bidders' submissions, eight General Contractors were identified as best qualified for the Fairview Branch project. The evaluation was conducted by Library staff and the Architects.

## **Call for Tenders**

A Call for Tenders is used to obtain bids for construction, whenever the requirements can be precisely defined and the expectation is that the lowest bid meeting the requirements specified in the Call will be accepted. On July 18, 2012 the Call for Tenders was issued

to the eight pre-qualified bidders. The bid documents, prepared by the Architects, were supplied to all prequalified bidders. All bidders had to attend a mandatory information meeting on July 25, 2012. The bid documents comprised the following documents:

- List of Prequalified Bidders
- Instruction to Bidders
- Available Project Information
- Stipulated Price Bid Form
- Unit Prices Bid Form Supplement
- Alternative Prices Bid Form Supplement
- List of Subcontractors Bid Form Supplement
- Addenda issued prior to Bid Closing Time
- Agreement between Owner and Contractor
- Definitions given in the agreement
- General Conditions of the agreement
- Amendments to the agreement
- Specifications as listed in the project manual for this project
- Schedules as listed in the project manual and as listed in the list of drawings
- Drawings as listed in the list of drawings.

On Aug 16, 2012, the TPL received tenders from eight of the pre-qualified General Contractors. The Architects and library staff analysed the three lowest bids (three in case the lowest bid did not meet all requirements) to ensure that all requirements were met:

- Pre-qualified bidder
- Attended mandatory meeting
- Submitted a hard copy of the bid in a sealed envelope, which included:
  - a bid bond form, for 10% of bid price, valid for 120 days
  - an agreement to bond issued by bonding company (performance and labour & material bond)
  - unconditional bid
  - completed & sealed stipulated price bid form
  - acknowledges all addenda issued as part of the call for tenders
  - completed & dated unit prices bid form supplement
  - completed & dated alternative prices bid form supplement
  - completed & dated list of subcontractors bid form supplement
  - confirmation of pre-qualified subcontractors, where required.

### **Award of tender recommendation**

For the recommended contract award, the following requirements have been met:

1. The bidder recommended for award, The Atlas Corporation, is the lowest bidder meeting all tender requirements, and was the lowest bid received;
2. The Director, Finance and Treasurer agrees with the financial impact information;
3. Library staff have reviewed the submission and found the price to be reasonable and within the available budget, as adjusted;
4. The tender process was conducted in accordance with the Board's Procurement Policy, including a public call for pre-qualification of general contractors, a tender

process in accordance with instructions to the bidders and a public opening of bids.

The recommended bidder has worked on three previous Library projects (Runnymede, St. James Town and McGregor Park) and has 65 years of previous experience in construction for the public sector. The references were checked by the Architect and were satisfactory, as was the work on the three Library projects.

## **CONTACT**

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## **SIGNATURE**

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Jane Pyper  
City Librarian