

NO: R218

COUNCIL DATE: **OCTOBER 28, 2013**

REGULAR COUNCIL

TO: Mayor & Council **DATE: October 28, 2013**

FROM: General Manager, Planning and Development **FILE: o800-20 (Main Works Yard)**

SUBJECT: Award of Contract for the Construction of Structure Work for the Main Operations Centre & Fleet Maintenance Buildings for the Main Works Yard Project

RECOMMENDATION

The Planning and Development Department recommends that Council approve the award of a contract to Graham Construction & Engineering LP for the construction of structure works related to the new Main Operations Centre building and the Fleet Maintenance building in the amount of \$12,322,428.48, excluding GST, all as generally described in this report.

PURPOSE

The purpose of this report is to obtain approval to award a contract related to the construction of structure works for the Main Operations Centre building (Phase 2) and the Fleet Maintenance building (Phase 3) that are part of the redevelopment of the City of Surrey Main Works Yard.

BACKGROUND

The redevelopment of the Main Works Yard (the "Project") was approved as part of the Capital budget in 2013 under the Build Surrey Program.

The project is being constructed in phases to minimize its impact on City operations and to allow for a convenient transition to the new facilities being constructed from existing facilities on the site. Sequential tendering will be used to manage the construction of the Project. This report addresses the award of a contract for structure works for the Main Operations Centre building and the Fleet Maintenance building, known as Phase 2 and Phase 3, respectively, of the Project.

In August 2012, a Request for Expressions of Interest and Statements of Qualification (RFEOI/SOQ 1220-050-2012-032) was issued for Construction Management Services for the Project. The RFEOI/SOQ was advertised on the City's website and posted on the BC Bid Website. It closed on August 30, 2012.

From the RFEI/SOQ process five proponents were shortlisted and requested through Request for Proposal process (RFP 1220-030-2012-051) to submit a financial proposal including separate pricing for pre-construction services and for general contractor services. All five proponents responded.

Based on an evaluation of the proposals it was concluded that the proposal from Graham Construction & Engineering LP ("Graham") provided the best overall value to the City.

In October 2012 Graham was awarded the contract for pre-construction services for the Project, which included assisting with the evaluation and value-engineering of the design, scheduling and cost estimating for the Project. Graham has performed these services at a better than satisfactory level and it is now proposed that the contract with Graham be extended to include general contractor services for construction of the Project.

During its Regular meeting on June 17, 2013, Council approved the award of a contract for the construction of Phase 1 of the Project being a staff parking lot.

Design and subsequent procurement processes for the remaining phases of the Project will continue over the coming months. Further reports complete with recommendations will be forwarded to Council in relation to the remaining phases of the Project.

Tender Process

Graham and the architect, Taylor Kurtz Architecture + Design Inc. in association with Rounthwaite Dick and Hadley Architects Inc., have been working with City staff to obtain quotations for the structure work for the Main Operations Centre building and the Fleet Maintenance building.

Each trade/element related to the structure work is being tendered separately with the intention of selecting the lowest quote for each element of the work, which will then be combined into a "stipulated price" general contract that will then be assigned to Graham as the general contractor for the Project.

Quotations Process

In April 2013, a Request for Expression of Interest and Statements of Qualifications (RFEOI/SOQ # 1220-050-2013-017) was issued to prequalify trade contractors for the Project. The RFEOI/SOQ was advertised on the City's website and posted on the BC Bid Website. The RFEI/SOQ closed on April 11, 2013. Through an evaluation process trade contractors were shortlisted. Pre-qualified trades were then invited to submit quotations for the various elements of the structure work.

A list of the contractors who submitted a quotation for each of element of the structure work for Phase 2 and Phase 3, respectively, of the Project is contained in Appendix I attached to this report along with the price that was submitted by each contractor. In each case, the contractor providing the lowest quotation that fully met the specifications of the related element of work is being recommended for the award of that element of work.

General Contract

The low quotes for the elements, respectively, of the structure work are being combined into a "stipulated price" contract that includes an allowance for general conditions and contract management fees. This stipulated price contract amounts to \$12,322,428.48, excluding GST. This contract is proposed to be awarded to Graham who will assume the risk associated with delivering the work of the contract within the stipulated price.

Additional contracts will be awarded over the coming months in relation to the remaining phases of the Project following the same process as described in this report.

Funding for this Contract

Funding in support of this contract is available within the Council-approved Capital budget.

Project Schedule

Construction of the Project commenced in June 2013 and is expected to be completed late in 2016.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the award of a contract to Graham Construction & Engineering LP for the construction of structure work for the Main Operations Centre & Fleet Maintenance buildings at a price of \$12,322,428.48, excluding GST, all as generally described in this report.

Original signed by
Jean Lamontagne
General Manager,
Planning and Development

AA:saw

Attachment:

Appendix I: Results from the Request for Quotations Process for the Structure Work

**Main Works Yard Project
Structure Work for Main Operations Centre & Fleet Maintenance
Results of the Request for Quotations Process
(Only the lowest three complete and compliant bids are listed)**

1. **Site Security: (3 contractors provided bids – prices exclude GST)**

Chief Security Ltd.	\$126,394.69
Apple Security Inc.	\$161,430.50
Polo Security Services Ltd.	\$176,576.81

2. **Traffic Control: (3 contractors provided bids – prices exclude GST)**

DL Safety Consulting Ltd.	\$167,114.12
Valley Traffic Systems Inc.	\$214,812.58

3. **Temporary Site Fence: (3 contractors provided bid – prices exclude GST)**

Yellow Fence Rentals Inc.	\$14,481.07
Super Save Fence Rentals Inc.	\$21,959.67

4. **Demolition: (3 contractors provided bids – prices exclude GST)**

Matcon Demolition Ltd.	\$65,590.00
D. Litchfield & Co. Ltd	\$77,540.00

5. **Excavation & Site Services: (4 contractors provided bids – prices exclude GST)**

Triahn Enterprises Ltd.	\$1,991,034.00
RDM Enterprises Ltd.	\$2,553,949.00
Matcon Excavation & Shoring	\$3,112,180.00

6. **Formwork, Placing & Finishing: (3 contractors provided bids - prices exclude GST)**

Newway Concrete Forming Ltd.	\$2,635,289.50
Mardina Construction Ltd.	\$2,927,693.00
Whitewater Concrete Ltd.	\$4,050,193.00

7. **Reinforcing Steel: (2 contractors provided bid – prices exclude GST)**

LMS Limited Partnership	\$1,074,350.00
Bar-None Reinforcing a division of Harris Steel	\$1,220,679.50

8. **Concrete Supply: (2 contractors provided bids – prices exclude GST)**

Lafarge	\$929,556.00
Rempel Bros. Concrete Ltd.	\$1,157,724.00

9. **Structural Steel: (4 contractors provided bids – prices exclude GST)**

ISM Industrial Steel & Manufacturing Inc.	\$2,799,388.36
Wesbridge Steelworks Ltd.	\$2,872,475.00
Whitemud Ironworks(BC) Ltd.	\$3,246,766.00

10. **Elevator: (2 contractors provided bids – prices exclude GST)**

Otis Elevator Company	\$261,594.50
Kone Inc.	\$302,780.00

11. **Mechanical: (6 contractors provided bid – prices exclude GST)**

Davidson Brothers Mechanical Contractor Ltd.	\$264,600.00
Georgia Mechanical Systems (2008) Ltd.	\$281,900.00
Canstar Mechanical Ltd.	\$294,600.00

12. **Electrical: (6 contractors provided bids – prices exclude GST)**

Protec Installations Group	\$102,840.00
Bridge Electric Corp.	\$108,800.00
Canem Systems Ltd.	\$109,000.00

13. **Cash Allowances:**

Allowance for Waterproofing & Damproofing	\$75,000.00
Allowance for Environmental Remediation	\$100,000.00
Sub-total Cash Allowances	\$175,000

Sub-total (items 1 - 13 above) \$10,607,232.24

General Conditions \$1,473,580
 Contract Management Fees \$241,616.24

Total Value \$ 12,322,428.48

Previously awarded \$ 1,075,475.76

Total Revised Contract Value (excluding applicable taxes) \$ 13,397,904.24