

NO: R018

COUNCIL DATE: **FEBRUARY 3, 2014**

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **February 3, 2014**

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

SUBJECT: **Award of Contract for the Construction of Works for the Main Operations Centre Building and the Fleet Maintenance Building as part of the Main Works Yard Project**

RECOMMENDATION

The Planning and Development Department recommends that Council approve the award of a contract in the amount of \$28,259,348.88, excluding GST, to Graham Construction & Engineering LP for the construction of components of work related to the new Main Operations Centre building and to the new Fleet Maintenance building at the City's Main Works Yard, 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 components of work associated with the Main Operations Centre building (Phase 2) and the Fleet Maintenance building (Phase 3) that are part of the redevelopment of the City's Main Works Yard.

BACKGROUND

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

The Project is being constructed in phases to minimize its impact on City operations and to allow for a convenient transition between existing and new buildings. Sequential tendering has been used and will continue to be used to manage the construction of the Project. This report addresses the award of a contract for components of the work associated with the Main Operations Centre building and with 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 each was requested through a 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 with a proposal. 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.

This project is being tendered in phases in order to keep the project on time and to allow for long lead items to be manufactured and delivered on site. 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. During its Regular meeting on October 28, 2013, Council approved the award of a contract for the construction of the structure works for the Main Operations Centre building and the Fleet Maintenance building, known as Phase 2 and Phase 3, respectively, of the Project. This allowed for the steel structure to be manufactured and delivered while the remaining current phase of the project was being finalized and tendered.

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 for the Fleet Maintenance building.

Each trade/component related to the remainder of the works (beyond the buildings) will be tendered separately with the intention of selecting the lowest quote for each component of the work, which will then be combined into a "stipulated price" general contract and 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 pre-qualify 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 components of the structure work.

A list of the contractors who submitted a quotation for each component of the 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 component of work is being recommended for the award of that component of work.

General Contract

The low quotes for each of the components, respectively, of the 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 \$ 28,259,348.88, excluding GST. It is proposed that this contract 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 is described in this report.

Funding for this Contract

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

Project Schedule

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

CONCLUSION

Based on the above discussion, it is recommended that Council approve the award of a contract in the amount of \$28,259,348.88, excluding GST, to Graham Construction & Engineering LP for the construction of components of work related to the new Main Operations Centre building and to the new Fleet Maintenance building at the City's Main Works Yard, all as generally described in this report.

Original signed by
Jean Lamontagne
General Manager,
Planning and Development

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Attachment:

Appendix I: Results from the Request for Quotations Process for the Remainder of the Building Construction Work

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

1. ELECTRICAL (6 Contractors provided bids – price excludes GST)

Canem Systems Ltd.	3,588,489*
Western Pacific Enterprises GP	3,785,120*
Protec Installations Group	3,846,195*

2. MECHANICAL (6 Contractors provided bids – price excludes GST)

Georgia Mechanical Systems (2008) Ltd.	5,086,113*
Dual Mechanical Ltd.	5,117,786*
Canstar Mechanical Ltd.	5,405,613*

3. GANTRY CRANES (1 Contractors provided bid – price excludes GST)

CRS CraneSystems Inc.	165,891
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4. SPECIALTIES(2 Contractors provided bids – price excludes GST)

Shanahans Limited Partnership	652,876*
CP Distributors	653,212*

5. PAINTING (4 Contractors provided bids – price excludes GST)

M&L Painting Ltd.	296,411*
Combined Painting Ltd.	327,664*
Korda Bros. Decorating Ltd.	331,582*

6. DRYWALL AND CEILINGS (4 Contractors provided bids – price excludes GST)

Robertson Construction Ltd.	2,154,800*
Winwood Construction Ltd.	2,295,500*
L.D.P. Drywall Services Ltd.	2,512,287*

7. TILE (7 Contractors provided bids – price excludes GST)

Star Tile Co. Ltd.	269,000*
Atmosphere Interiors Ltd.	280,000*
Tilex Construction Ltd.	297,588*

8. CARPET AND RESILIENT FLOORING (6 Contractors provided bids – price excludes GST)

Benefit Floors Ltd.	198,126*
Heritage Office Furnishings	200,132*
Fast-Track Floors Ltd.	213,763*

9. OVERHEAD DOORS (3 Contractors provided bids – price excludes GST)

1604075 Alberta Ltd. O/A Overhead Door Co of Vancouver	769,643*
Creative Door Services Ltd.	835,000*
Canadian Access Door Systems Inc.	867,990*

10. DOORS AND HARDWARE (2 Contractors provided bids – price excludes GST)

Shanahans Limited Partnership	294,677*
CP Distributors	375,351*

11. METAL CLADDING (4 Contractors provided bids – price excludes GST)

Flynn Canada Ltd.	1,034,948
Metro Roofing & Sheet Metal Ltd.	1,041,500
Alpro Aluminum Products Ltd.	1,097,629

12. ROOFING (4 Contractors provided bids – price excludes GST)

Flynn Canada Ltd.	1,656,206*
Metro Roofing & Sheet Metal Ltd.	1,854,605*
Nelson Roofing & Sheet Metal Ltd.	2,276,415*

13. CIVIL (3 Contractors provided bids – price excludes GST)

Triahn Enterprises Ltd.	2,712,361*
RDM Enterprises Ltd.	2,892,852*
Matcon Civil Constructors Inc.	3,267,314*

14. ASPHALT PAVING (5 Contractors provided bids – price excludes GST)

Key-West Asphalt Ltd.	621,208*
Grandview Blacktop Ltd.	625,049*
Winvan Paving Ltd.	683,200

15. MASONRY (4 Contractors provided bids – price excludes GST)

Gracom Masonry LP.	576,800
Sun Valley Masonry Inc.	601,650
Empire Masonry Ltd.	602,454

16. TEMP. SITE FENCING (2 Contractors provided bids – price excludes GST)

Yellow Fence Rentals Inc.	9,027
Super Save Group	9,200

17. TRAFFIC CONTROL (2 Contractors provided bids – price excludes GST)

DL Safety Consulting Ltd.	136,730
Valley Traffic Systems Inc.	175,756

18. SITE SECURITY (3 Contractors provided bids – price excludes GST)

Chief Security Ltd.	103,414
Apple Security Inc.	132,080
Polo Security Services Ltd.	144,472

19. CASH ALLOWANCES (price excludes GST)

Description	Budget
Metal Fabrications including ornamental	\$626,700.00
Millwork and Cedar Siding	\$603,200.00
Specialty Flooring	\$54,600.00
Window Blinds	\$227,740.00
Landscaping	\$400,000.00
Site Fencing	\$52,500.00
Glazing, Curtainwall and Aluminum	\$3,909,700.00
Revisions to ESC Plan	\$45,000.00
Site Retaining Walls	\$50,000.00
Miscellaneous Rough & Finish Carpentry	\$50,000.00
Sealants	\$25,000.00
Loading Dock Bumpers	\$5,000.00
Fireproofing	\$105,322.00
Total Cash Allowances	\$6,154,762.00

Sub-total (items 1 - 19 above) \$26,481,482.00

General Conditions \$1,223,762.00
 Contract Management Fees \$ 554,104.88

Total Value of current work \$28,259,348.88

Value of Previously awarded work \$13,397,904.24

Total Revised Contract Value (excluding applicable taxes) \$41,657,253.12