

NO: R221

COUNCIL DATE: **October 3, 2016**

REGULAR COUNCIL

TO: Mayor and Council

DATE: September 22, 2016

FROM: General Manager, Planning and Development

**FILE: 0760-20 (South
Surrey Operations
Centre)**

SUBJECT: Award of Contract for the Construction of South Surrey Operations Centre

RECOMMENDATION

The Planning and Development Department recommends that Council:

1. Receive this report for information;
2. Approve the award of a contract in the amount of \$11,292,943.37 excluding GST to Graham Construction and Engineering LP for the construction of components of work related to the new South Surrey Operations Centre, as generally described in this report; and
3. Authorize an expenditure authority for this contract of \$12,800,000.00 excluding GST.

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 South Surrey Operations Centre.

BACKGROUND

The South Surrey Operations Centre (the "Project") was included in the 2012 Capital Program Budget (Corporate Report No. F004; 2012). The Project will accommodate both Engineering Operations and Parks Operations south field staff and will include office space and indoor and outdoor storage space, similar to the Hemlock Works Yard in North Surrey. The proposed facility will result in cost efficiencies in the delivery of Engineering and Parks services to South Surrey through a reduction in travel time for equipment and City workers to work sites.

In September 2015, a Request for Expressions of Interest and Statements of Qualification (RFEOI/SOQ 1220-050-2015-019) 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 September 30, 2015.

Following the RFEI/SOQ process, six proponents were shortlisted and requested to submit a financial proposal including pricing, separately for pre-construction services and for general contractor services.

Of the six proponents shortlisted, five responded. Based on an evaluation of the proposals it was concluded that the proposal from Graham Construction and Engineering LP ("Graham") provided the best overall value to the City.

In April 2016 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 satisfactory level and it is now proposed that the contract with Graham be extended to include general contractor services for this portion of the Project.

During its Regular meeting on July 25, 2016, Council approved the award of a contract for the construction of structure works and elevator that are part of the Project (Corporate Report R185; 2016).

Tender Process

Graham and the architect (Carscadden Stokes McDonald Architects Inc.) have been working with City staff to obtain quotations for components of the work related to the South Surrey Operations Centre.

The work of each trade is being tendered separately with the intention of selecting the lowest quote for each element of the work and combining them under one general contract that would then be assigned to Graham as the general contractor for construction of the Project.

Quotations Process

In May 2016, a prequalification process was issued by Graham to prequalify trade contractors for the subject works. The prequalification was publicly advertised with a closing date of June 3, 2016. Upon completion of the evaluation process by Graham, the shortlisted trade contractors were invited to submit quotations for the remaining components of the work.

A list of the trade contractors who submitted a quotation for each component of the subject works of the Project is contained in Appendix "I", along with the respective price that they submitted. In each case, the bidder providing the lowest quotation that fully meets the specifications of the related work is being recommended for the award of that element of work.

General Contract

The low quotes for each of the components 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 \$11,292,943.37 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.

Project Schedule

Construction of the project will commence September 2016 and is expected to be completed summer of 2017.

FUNDING

Funding for this contract is available within the approved Capital budget.

SUSTAINABILITY CONSIDERATIONS

The City recognizes the value of creating a new Operations Centre based in the south; creating this facility in the south reduces the amount of time staff will spend driving throughout the City, which relates to reduced greenhouse gas emissions from City vehicles. It will allow the City to more effectively serve the residents living in South Surrey by providing them with timely responses to their Parks and Engineering servicing needs.

Built Environments and Neighbourhoods

DO 11 – Surrey is at the forefront of sustainable and restorative building design and technology.

DO 13 – Buildings are healthy and energy and resource efficient.

DO 15 – All new buildings, public places and outdoor spaces are welcoming, safe and universally accessible.

Infrastructure

DO 1 – City facilities and infrastructure systems are well managed, adaptable and long lasting, and are effectively integrated into regional systems.

DO 3 – Infrastructure systems are designed to protect human health, preserve environmental integrity, and be adaptable to climate change impacts.

DO 10 – Buildings in the community are energy-efficient and offset energy use with onsite energy generation.

DO 14 – Goods movement throughout the City is efficient, and minimizes environmental and community impact.

CONCLUSION

Based on the above discussion, it is recommended that Council approve the award of a contract in the amount of \$11,292,943.37 excluding GST to Graham Construction and Engineering LP for the construction of components of work related to the new South Surrey Operations Centre, as generally described in this report, and authorize an expenditure authority for this contract of \$12,800,000.00 excluding GST.

Original signed by
Jean Lamontagne
General Manager,
Planning and Development

AA/ss

Attachment:

Appendix “1”: Results of the Request for Quotations Process

South Surrey Operations Centre Project
Results of the Request for Quotations Process
(Only the lowest three complete and compliant bids are listed)

1. Earthworks & Civil (4 Contractors provided bids – price excludes GST)

B&B Contracting Group	\$3,926,285.62
Matcon Civil	\$4,398,450.87
Triahn Enterprises	\$4,762,098.82

2. Formwork & Concrete Placing (3 Contractors provided bids – price excludes GST)

Mardina Construction Ltd.	\$379,228.83
Graham Construction & Engineering LP	\$381,800.83
LRD Concrete Forming Ltd.	\$412,359.07

3. Concrete Supply (5 Contractors provided bid – price excludes GST)

LaFarge	\$191,428.99
Rempel Bros	\$193,053.00
Ocean Concrete	\$203,733.00

4. Concrete Reinforcement (2 Contractors provided bids – price excludes GST)

LMS	\$128,498.94
Harris Rebar	\$173,154.60

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

Sun Valley Masonry	\$770,943.01
Empire Masonry	\$872,000.49
HD Masonry	\$1,039,687.05

6. Architectural Woodwork (3 Contractors provided bids – price excludes GST)

Trident Millwork & Display	\$138,605.70
JSV Architectural Millwork Inc.	\$145,525.81
Towne Millwork	\$148,244.64

7. Roofing (5 Contractors provided bids – price excludes GST)

Flynn Canada Ltd.	\$251,298.97
Transwest Roofing	\$251,816.41
Raven Roofing	\$253,073.37

8. Metal Cladding (1 Contractor provided bid – price excludes GST)

Flynn Canada Ltd.	\$369,039.03
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9. Sprayed Insulation (3 Contractors provided bids – price excludes GST)

Greer Contracting	\$24,672.00
Ener-Spray Pacific	\$24,758.07
Westcor Thermal	\$34,934.70

10. Doors, Frames & Hardware (3 Contractors provided bids – price excludes GST)

Shanahan's	\$73,775.00
McGregor Thompson	\$77,999.57
CP Distributors	\$111,413.34

11. Bifold Overhead Doors & Fire Shutter (3 Contractors provided bids – price excludes GST)

Creative Doors	\$272,186.88
Overhead Door Co.	\$275,275.31
Assa Abloy	\$279,325.71

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

Phoenix Glass	\$284,763.37
B3 Glass	\$302,666.14
Flynn Canada Ltd.	\$334,056.74

13. Drywall & Ceilings (6 Contractors provided bids – price excludes GST)

Winwood Construction	\$282,560.97
Celtic Contracting	\$284,034.30
Drystar Wall & Ceiling	\$286,848.32

14. Tiling (3 Contractors provided bids – price excludes GST)

Atmosphere Interiors	\$65,312.70
Figtree	\$90,458.60
Bridgewater Tile	\$129,106.50

15. Resilient Flooring & Carpet Tile (4 Contractors provided bids – price excludes GST)

Atmosphere Interiors	\$41,182.77
Figtree	\$47,636.75
Maxwell Floors	\$49,462.47

16. Painting (5 Contractors provided bids – price excludes GST)

Combined Painting	\$87,902.79
Concord Painting	\$112,601.12
Done Right	136,043.82

17. Specialties (3 Contractors provided bids – price excludes GST)

Shanahan's	\$92,000.79
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18. Window Coverings (3 Contractors provided bids – price excludes GST)

Cascadia Design Products	\$19,715.32
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19. Mechanical & Fire Protection (5 Contractors provided bids – price excludes GST)

Div 15 Mechanical	\$1,236,789.64
Airstream Heating & Air Conditioning	\$1,306,254.00
Dual Mechanical	\$1,312,460.23

20. Electrical Systems (4 Contractors provided bids – price excludes GST)

Glenco Electric Ltd.	\$915,592.92
Power Pros Electric Ltd.	\$1,182,735.03
Western Pacific Enterprises	1,282,603.71

21. Landscaping (5 Contractors provided bids – price excludes GST)

Horizon Landscaping	\$419,719.66
Bluepine Enterprises	\$422,240.02
North by Northwest	\$437,903.93

22. Fencing & Gates (4 Contractors provided bids – price excludes GST)

Streamline Fencing Ltd.	\$113,348.42
Sterling Fence Co.	\$120,629.01
Pro-Line Fence Ltd.	\$138,453.81

23. Cash Allowances (price excludes GST)

Description	Budget
ESC	\$25,000.00
Fall Protection	\$43,000.00
Exterior Site Signage	\$20,000.00
Total Cash Allowances	\$88,000.00

Sub-total (items 1 - 23 above) \$10,172,852.33

General Conditions \$ 916,634.00
 Contract Management Fees \$ 203,457.05

Value of current work \$11,292,943.37

Value of Previously awarded work \$ 1,186,850.51

Total Revised Contract Value (excluding GST) \$12,479,793.88