

Request for Decision

Tom Davies Square Courtyard Project

Presented To:	City Council
Presented:	Tuesday, Apr 11, 2017
Report Date	Wednesday, Mar 29, 2017
Type:	Tenders and Requests for Proposals

Resolution

THAT the City of Greater Sudbury accept the report dated March 28, 2017 from the General Manager of Corporate Services entitled Tom Davies Courtyard Project Update and approve an additional \$2.31 million funded from the Parking Improvements Reserve Fund based on annual payments of approximately \$330,000 over the next 7 years.

Finance Implications

If approved, the funding of the additional \$2.31 million for the TDS Courtyard project will be funded from the Parking Improvements Reserve Fund with annual payments of approximately \$330,000 for the next 7 years.

Background

Downtown Master Plan Project 37 – Tom Davies Square Courtyard Upgrade

This report is a follow up to a previous Council information report presented March 22, 2016.

<https://agendasonline.greatersudbury.ca/index.cfm?pg=agenda&action=navigator&id=942&itemid=10961&lan>

Budget

In the 2015 Capital Budget, an initial \$2.2 million was approved for the courtyard improvements, and in the 2016 Capital Budget a further \$4.8 million was approved.

Total Approved Funding is \$7,060,000 (\$5,750,000 TDS and \$1,310,000 199 Larch).

Although some landscaping was included in the current tender documents, no funding was identified for landscaping improvements in the current budget approvals.

First Tender Update:

In July 2016, the first tender closed was for the upper concourse only (2nd floor roof above office space and

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Division Review

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daycare area) to address a shift in priority to the second floor for roof leaks above office spaces. The tender included some minor landscaping improvement to the areas along with replacement of the existing waterproofing and interlocking pavers.

The estimate for this portion of the project was \$1,696,000 and the lowest compliant bid for this tender was \$2,669,500. Upon review of the bids, Architecture49 (City's consultant also known as A49) advised that the tender likely came in higher than anticipated due to an escalation in the waterproofing and roofing materials industry that was already busy with other projects. In addition, the roofing contractor's work schedules are typically established in the second quarter of the year, which likely resulted in increased labour costs.

There were only two options that staff was able to consider in accordance with the Purchasing By-Law:

1. Issue the award to the low bidder and start the work in 2016. In this case, we were within overall budget, but the lowest bid was approx \$1 million over the estimate provided by A49 for this phase.
2. Cancel the tender and issue a new tender for both lower courtyard and upper podium.

A49 recommended to cancel the tender and combine both lower courtyard with the upper concourse as one design package in order attract more bidders with a much larger scope of work. The design of the upper concourse would be reduced to simply removing the existing pavers, waterproofing, and replacing with new pavers.

Tender with Revised Scope

The revised tender was issued in December 2016, and closed in February 2017. The current lowest compliant bid submission is in the amount of \$8,625,815.

The construction budget is \$6,618,750 (\$7,060,000 less Consultant fee 6.25%).

The variance against the project budget is \$2,007,065.

A construction contingency of \$300,000 is also required. In addition, this will create a total budget shortfall of \$2.31 million dollars.

Funding the Shortfall

It is recommended to proceed with this project, and the shortfall of \$2.31 million be funded from the Parking Improvements Reserve Fund over the next 7 years. On average, there is approximately \$600,000 that is contributed annually to the Parking Improvements Reserve Fund. This leaves approximately \$270,000 annually to be used for other capital parking projects throughout downtown Sudbury.