



*Owen Sound*

**AGENDA**  
**REGIONAL RECREATION CENTRE STEERING COMMITTEE**  
**Tuesday, April 6, 2010**  
**3:45 p.m. Basement Boardroom, City Hall**

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- 1 CALL TO ORDER**
- 2 DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
- 3 REPORTS – Tender Call Package 1 -11312 Pre-Engineered Steel Structure – Brad McRoberts**
- 4 OTHER BUSINESS**
- 5 ADJOURNMENT**
- 6 Next Committee Meeting: April 20, 2010**

**DATE:** April 6, 2010  
**TO:** REGIONAL RECREATION CENTRE STEERING COMMITTEE **DEPT:** City Council  
**FROM:** BRAD MCROBERTS **DIV:** Special Capital Projects **DEPT:** City Manager  
**SUBJECT:** REGIONAL RECREATION CENTRE – TENDER CALL PACKAGE 1 – 11312 PRE-ENGINEERED STEEL STRUCTURE

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**STRATEGIC INITIATIVE:** *RC 5.1: Develop an affordable and efficient multi-purpose facility to meet needs for all age groups with a reasonable operating cost. RC 6: The City should develop itself as a regional centre for recreation opportunities. RC 4: The City should provide a range of recreation opportunities for youth in the community and promote the concept of fitness for all ages.*

**BACKGROUND:** Tender packages for Pre-Engineered Steel Structure were issued by the Construction Manager, Aquicon Construction Ltd. (Aquicon) on March 5, 2010 and were received by the Construction Manager on March 26, 2010.

**COMMENTS:** Attached is a letter of recommendation from the Construction Manager for award of the contract for Pre-Engineered Steel Structure.

As directed by the City, Aquicon and Shore Tilbe Perkins + Will (Architects) conducted value engineering negotiations, on behalf of the City, with the low bidder, Clarence H. Graham Design & Construction, A Division of Scott Builders Inc. (Graham), for Tender Package 1 – 11312 Pre-Engineered Steel Structure. The total credit received for the six (6) value engineering options requested is \$357,811. Including all value engineering option the final adjusted bid from Graham is \$1,740,189 + GST/HST. The adjusted bid will remain \$60,189 over the pre-tender budget of \$1,680,000. This reduction does not include possible reductions in components of subsequent tender packages due to the value engineering options included (i.e. reduced masonry).

The budget shortfall of \$60,189 could be recovered from the surplus budget under the previous contract under this project (i.e. External Sanitary Sewer, Watermain Relocation, and Preliminary Earthworks. The shortfall represents less than 4% of the pre-tender budget and is an acceptable deviation for a contract of this value.

In order for the Construction Manager to proceed they require the issuance of a purchase order for their activities which includes Tender Package 1 – 11312 Pre-Engineered Steel Structure as well as components of their budget which includes general conditions (i.e. insurance, bonds, etc.), inspection and testing, pre-construction services (i.e. cost estimates, pre-qualifications, etc.), and construction services (i.e. oversight, etc.). The total value of Aquicon services noted above and as outlined in the attached report from Aquicon is \$2,136,587 + GST/HST. The total value of the Purchase Order will be \$3,876,776 + GST/HST (i.e. tender + Aquicon services).

**RECOMMENDATION:**

**THAT in consideration of a report dated April 6, 2010 from the Manager of Special Capital Projects, that the Regional Recreation Centre Steering Committee recommend that Council approve the award of Trade Package 11312 – Pre-Engineered Steel Structure to Clarence H. Graham Design & Construction, A Division of Scott Builders Inc. for the amount of \$1,740,811+ GST/HST; and**

**Further that the Regional Recreation Centre Steering Committee recommend that Council issue a Purchase Order of \$3,876,776 + GST/HST to Aquicon Construction Ltd. for Tender Package 1, Pre-Engineered Steel Structure, General Conditions, Inspection and Testing, Pre-Construction Services and Construction Services.**



Brad McRoberts, P. Eng.  
Manager of Special Capital Projects

April 6, 2010

City Of Owen Sound  
808 2nd Ave East  
Owen Sound, ON  
N4K 2H4

**ATTENTION: Mr. Brad McRoberts, P. Eng. ([bmicroberts@owensound.ca](mailto:bmicroberts@owensound.ca))**

Dear Mr. McRoberts;

**RE: City of Owen Sound New Regional Recreation Centre  
Tender Series 1 - Recommendation**

We have completed a review of the bids submitted for the Tender Series 1 which consisted of Trade Package No. 11312 (Pre-Engineered Steel Structure). Attached is a copy of Tender Results and Tender Recommendation.

The preliminary budget provided to the City of Owen Sound included an overall budget of \$1,680,000 for all the Trade Packages and it should be noted that the recommended bid is in compliance with the tender documents; but were significantly over budget. At the direction of the City of Owen Sound, Aquicon Construction and Shore Tilbe Perkins + Will commenced value engineering discussions with the low bidder Clarence H. Graham Design & Construction. The following value engineering options were considered for pricing by the design team and their associated bid adjustments are indicated below:

Trade Package 11312 – Pre-Engineered Steel Structure	
Bid Received from Clarence H. Graham Design & Construction	\$2,098,000
Value Engineering Options:	
#1 – Adjustment for applicable PST	<\$ 96,606>
#2 – Revised primary steel finish and shop primer treatment	<\$ 84,400>
#3 – Revised wall assembly detail	<\$ 118,000>
#4 – Lower top of high parapet/screen on north side of arena	<\$ 1,965>
#5 – Lower high roof elevation of arena	<\$ 52,430>
#6 – Revised detail for concealed cladding at south side of arena	<\$ 4,410>
Total Tender Series 1 -	\$1,740,189

The adjusted bid from Clarence H. Graham Design & Construction, which takes into account the value engineering options considered acceptable by the design team, is \$1,740,189. This adjusted bid remains \$60,189 over the budget of \$1,680,000. Therefore, pending acceptance by the City and Design Team, we recommend the following:

- Trade Package 11312 – Pre-Engineered Steel Structure be awarded to Clarence H. Graham Design & Construction in the revised amount of \$1,740,189


- The amount of \$60,189 which exceeds our budget for Tender Call #1 be accounted for by either:
  - a. Increasing the construction budget by \$60,189; or
  - b. Decreasing the Design Contingency by \$60,189

As for contracts with the Trades, Aquicon will enter into a contract with the Trades so that we remain the "Constructor". The type of contract that we will eventually enter with the City of Owen Sound will be a CCDC 2, 2008 as indicated in the Construction Manager/General Contractor RFP documents provided by the City of Owen Sound. In the mean time in order to pay the trades we would ask that the City of Owen Sound issue a Purchase Order for the Total Tender Series 1 in the amount of \$1,740,189 to Aquicon Construction. Additionally, the Purchase Order should include the following items noted in our Budget:

General Conditions	\$1,704,687
Cash Allowance - (Inspection & Testing)	\$ 60,000
Pre-Construction Services	\$ 45,900
<u>Construction Services</u>	<u>\$ 326,000</u>
<b>Total</b>	<b>\$2,136,587</b>

Therefore, the Total Purchase Order will be for  $\$1,740,189 + \$2,136,587 = \$3,876,776$  (GST/HST extra). Trusting you will find the above in order, if you have any other questions please do not hesitate to call.

Yours truly,  
**AQUICON CONSTRUCTION CO. LTD.**



Joseph Aquino  
Project Manager

c.c. - Phil Fenech, Shore Tilbe Perkins + Will ([pjfenech@stipartners.com](mailto:pjfenech@stipartners.com))

THE CITY OF OWEN SOUND - REGIONAL RECREATION CENTRE

TENDER SERIES 1 - RESULTS -- PACKAGE NO. 11312 - Pre-Engineered Steel Structure

Note: - Bids received for Tender Call #1 are above Pre-Tender Budget.  
 - City authorized Aquicon and STP to commence Value Engineering negotiations with the Low Bidder  
 Value Engineering Alternatives quoted by Clarence H. Graham Design & Construction as follows:

1. Adjustment for applicable PST
2. Revised steel finish and shop primer
3. Revised wall assembly detail
4. Lower top of high parapet/screens on north side of arena
5. Lower high roof elevation of arena
6. Revised detail for consoled cladding at south elevation of arena

NO. OF BID	TRADE CONTRACTOR	BASE BID	ITEMIZED PRICES		DELETED		ALTERNATE PRICES		ACCEPTED		SEPARATE PRICES		ACCEPTED YES NO	TOTAL COST	ADD. Agg. to Bond	REMARKS
			NO.	COST	YES	NO	NO.	COST	YES	NO	NO.	COST				
1	Graham	\$2,098,000 LOW BIDDER					1	-\$96,606	✓					\$1,740,189.00	Incl. 1-4	- Qualification provided on warranty - Bidder's Alternates submitted
2	Steelcon	No Bid					2	-\$84,400	✓							
3	Aveiro	\$2,606,500					3	-\$118,000	✓					\$2,606,500.00	Incl. 1-4	- Qualification provided on bidder's schedule
4	Leo Alarie	No Bid					4	-\$1,965	✓							
5	XDG	No Bid					5	-\$52,430	✓							
6							6	-\$4,410	✓							

Pre-Tender Budget	\$1,680,000
Low Bid	\$1,740,189
Variance	\$60,189 Over Budget

Recommended Tender Awarded To: Clarence H. Graham Design & Construction Trade Contractor  
 Trade Package No. 11312: Pre-Engineered Steel Structure \$ 1,740,189

Approved By: \_\_\_\_\_ Date: \_\_\_\_\_  
 Owner - The City of Owen Sound  
 Joseph Aquino  
 Construction Manager - Aquicon Construction Co. Ltd.  
 Date: April 6, 2010