Corporate Strategic Initiatives Department

TO: Budget and Corporate Services Committee

SUBJECT: Alton High School, Library and Community Centre– Tender Award

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Report Number: CSI-15-11 File Number(s): 465-02

Report Date: June 26, 2011, 2011 Ward(s) Affected: 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 6 **X** All ☐

Date to Committee: July 12, 2011 Date to Council: July 18, 2011

APPROVE

APPROVE the city's portion of the Request for Tender Contract T11-02, administered by the HDSB, **Alton High School, Library and Community Centre** ("Alton Project"), and the low bid submitted by Bondfield Construction Company Limited, 407 Basaltic Road, Concord, Ontario L4K 4W8, with a total contract price of $40,637,000 (HST excluded); and where the City's portion of the contract is $11,192,061(HST excluded)

AUTHORIZE the Mayor and City Clerk to sign any related documents; and

APPROVE the total City project cost of $13,968,000 for the Alton Community Centre Project be financed as detailed in Appendix B ; and

DIRECT the City Clerk to issue the debenture by-law; and

AUTHORIZE the General Manager of Community Services to accept the City's portion of the Tender subject to the parties signing the required legal agreements; and

APPROVE the Mayor and Clerk to execute legal agreements related to the lease of lands, design and construction of facility, operations and maintenance of the facility with the partners, as well as the solar rooftop agreement with Burlington Hydro.

Purpose:

☐ Address goal, action or initiative in strategic plan

☐ Establish new or revised policy or service standard

☐ Respond to legislation

☒ Respond to staff direction

☐ Address other area of responsibility

The purpose of this report is to provide Council with:

- The status of the legal agreements in order that the parties can proceed with execution.
- The Tender results and proposed budget for the Alton Community Centre.

Background:

The Alton Community Centre project is one of the key initiatives planned to respond to growth in north Burlington. Council has previously approved $13.968 million budget for the construction of the Community Centre (COB) portion of this facility as well as $3.915 million budget for the Alton Library. The facility itself is based on a partnership between the City of Burlington (COB), Halton District School Board (HDSB) and the Burlington Public Library (BPL). The following report outlines the progress made since the last report PR-24-11 dated March 11, 2011.

Item	Date Completed	Detail
Feasibility	Oct. 2008 Nov. 2008 Mar. 2009 Oct. 2009	• Alton Community Centre Feasibility Study • Site analysis • Options to be investigated • Reject Joint Venture bids
Consultation	May.2009 Mar.2010	• Consult with the public • Project information signs • Council drop-in session • Public open house • Development of project website
Design	Mar.-May. 2009 Jun. 2009 Jul.2009 Jul.2010 Dec.2010	• Development of building program and schematic • Public open house • Council approved multi-use complex with the Halton District School Board and Public Library Board on designated high school site. • RFP call for Energy Modeling Consultant • Project was accepted for High Performance New Construction
Costing	May.2010 Sep.2010 Oct.2010 Jan.2011	• 25% Detailed Design • 50% costing for Detailed Design • 75% costing for Detailed Design • 95% costing for Detailed Design
Permit/Construction Approval	Aug.2010 Mar.2011 Jun. 2011	• Prequalification for General Contractor • Draft building permit comments sent to consultants. • Building permit received
Construction	Oct.2010	• Grading of site
Agreement	Mar.2011 Jun.2011	• Northeast Steering Committee • Final contracts sent to each party for final review

Item	Date Completed	Detail
Tender	Apr.2011 May.2011	• Tender is released by HDSB • Released Addendums #1-4 • Site Plan is approved • Extended tender closing by 1 week • Tender closes on May 17, 2011 at HDSB
Norton	Sep.2010 April 2011	• Norton Park is tendered • Construction Commences
Tim Dobbie Drive	Oct. 2010	• Preliminary streetscape design commences

The following summarizes various Council reports and the directions provided to staff:

PR-37-09 Alton Community Centre – Preferred Option
(June 10, 2009)

THAT Option 1a recommending an integrated high school, public library and community centre complex on the Halton District School Board property at the northwest corner of Dundas Street and Tim Dobbie Drive be approved, as outlined in Report PR-37-09 dated June 10, 2009; and

THAT the Memorandum of Understanding attached as Appendix F to Report PR-37-09 be approved as a framework document outlining various principles and capturing the various interests, requirements and responsibilities of the parties being the City, Halton District School Board and the Burlington Public Library in respect of this initiative; and

THAT funding identified in the 2010 capital forecast for the Alton Community Centre and Northeast Library be pre-approved as amended and outlined in Report PR-37-09; and

THAT the strategy addressing the funding gap for the project as outlined in Report PR-37-09 be approved; and

THAT staff be authorized to continue to work with the Halton District School Board and the Burlington Public Library on the detailed design of the facility; and THAT the Director of Parks and Recreation be directed to work with School and Library officials to develop an agreement, and report back in September/October 2009; and

THAT the Director of Parks and Recreation be authorized to immediately issue an RFP for the detailed design of Norton Park with scheduled construction in 2010; and

THAT the Manager of Realty Services be directed to report back with strategies on the disposition of the 3 hectare City-owned property on the southeast corner of Walkers Line and Highway 407, so as to optimize the return on this asset; and THAT the Director of Parks and Recreation report back on the results and recommendations of the Request for Proposal for capital joint venture partners in connection with the Alton Community Centre by September 2009; and

THAT the Director of Parks and Recreation notify the Halton District School Board and the Burlington Public Library of the City's decision to move forward with this partnered initiative.

PR-14-09 Parks, Recreation and Cultural Assets Master Plan and Related Site Specific Studies – Interim Report
(February 12, 2009)

THAT the City of Burlington Parks, Recreation and Cultural Assets Master Plan - Phase 1 Situational Analysis Executive Summary Report dated February 2009, prepared by F.J. Galloway Associates Inc.

and attached as Appendix A to Report PR 14/09 dated February 12, 2009 be received for information; and

THAT the options recommended for further development and investigation related to the Alton Community Centre, Northeast Library, Sherwood Forest Park and Mountainside Park Feasibility Studies as outlined in Report PR 14/09 be endorsed subject to the approval of recommendations contained in companion Report PR 12/09; and

THAT the revised project timeline outlined in this report be approved recognizing the scope and complexity of the integrated planning initiatives.

PR-59-09 Alton Community Centre Capital Joint Venture Partner RFP
(September 23, 2009)

THAT RFP-09-31 Alton Community Centre Joint Venture Partners be cancelled, as proposals did not comply with key stipulated requirements of the RFP; and

THAT staff be directed to proceed with the detailed design of the Alton Community Centre and identify future expansion opportunities subject to the Halton District School Board's approval.

THAT the design of the Alton multi-use complex proceed based on LEED Silver uncertified standards as per the approved Memorandum of Understanding.

PR-04-10 Information Only Report – Alton Community Centre Status Update
(February 10, 2010)

NONE - Information only

PR-57-10 Alton High School, Library and Community Centre and Norton Community Park Campus – Status Update
(September 21, 2010)

NONE – Information only

PR-24-11 Alton High School, Library and Community Centre, Norton Community Park Campus – Status Update
(March 11, 2011)

NONE – Information Only

Risk Summary

The following summarizes the project risks along with the mitigation strategies:

Item	Risk Description/Risk Event	Significance Low/Med/High	Mitigation
Procurement Controls	HDSB is managing the procurement activity which may impact the level of input and influence the City and Library may have with regards to General Contractor and major subcontractor selection.	Medium	Architect was contracted by HDSB before City and Library were involved. The HDSB has continued to utilize consultants they have successfully used in the past school projects. City staff developed a Project Management Team (PMT) to ensure that City and Library design and budget

Item	Risk Description/Risk Event	Significance Low/Med/High	Mitigation
			expectations were incorporated to the overall facility. Pre-Qualification of General Contractor, Mechanical, Electrical, Masonry and Roofing Subcontractors. City and Library were informed of trade names but were not part of the evaluation team. All Generals and Subcontractors carried have extensive experience with building schools that are similar in size and cost of the Alton Project. The final General Contractor would not be awarded until City and Library confirm tender includes every aspect of their design and budget can be met. The tender for the Alton Project included alternate, separate and allowance price items. This allowed for the addition or deletion of items dependent on costing and project budget.
Construction Control	HDSB is managing the construction contract which may impact the level of control and influence the City and Library may have over the project.	Medium	HDSB will award and execute contract with successful General Contractor with final approval of City and Library. The contract administrator during construction will be the architect who works for all three parties. City and Library staff will continue their involvement throughout the construction duration by attending all site meetings scheduled by the General Contractor to ensure schedule is being met.
Cost Control	Equal control/input to project costing by both COB and BPL.	Medium	Each party will have to approve changes and finance changes applicable to their areas. Changes that include all three parties will be charged their percentage commitment made prior to tender award. City and Library staff will continue their involvement throughout the construction duration by attending all site meetings scheduled by the General Contractor to ensure their percentage value of the project remains in budget.
Leasing the Property	City of Burlington holds a leasehold interest in the land only.	Medium to Low	A Lease Agreement has been developed which sets out the rights and obligations which limits the risk to COB.

Item	Risk Description/Risk Event	Significance Low/Med/High	Mitigation
Joint Ownership of the Building	Co- ownership may lead to operational and capital decision making challenges.	High	An Operations & Maintenance Agreement has been developed that clearly outlines the operating model and decision making process of both operational and capital activities and/or issues.
Dispute Resolution	Procedures have been set out in the agreements on how to handle default and remedies, damages and destruction, renovations, force majeure, indemnification and daily operational responsibilities including access.	Medium	During construction dispute resolution under this agreement will be directed to the Joint Construction Team and if no resolution can be made at this level the dispute will be directed the Alton Steering Committee for settlement. If the dispute cannot be resolved at this level it will be directed to the Alton Steering Committee if not settled at this level it will then directed to City Manager, CEO of Library and Director of Education to settle. The last step would be Arbitration. Terms of Reference have been included in both the Joint Development Agreement and Operations & Maintenance Agreement.
Terms of Commitment	• Land Lease and Sub-Lease – term – 49 years • Joint Facilities Development Agreement – term –terminate 2 years after total completion of the project. • Operations & Maintenance Agreement – term – 25 years with option to extend for and addition 24 years. If a party decides to vacate the facility within the first 20 years there would be a higher financial burden • Solar Agreement – 20 years	Medium	Terms of References are clearly documented in this agreement for the Joint Facility Operating Committee and Alton Steering Committee. The Operating & Maintenance Agreement clearly outlines a capital payout only after 20 years.
Access to Facility	Limited access to the school gyms.	High	The Operating & Maintenance Agreement clearly outlines the access to the School's gyms.
Separate Vendors	Increased operating costs due to multi-vendors.	Medium	The Operating & Maintenance agreement clearly outlines the requirement to take advantage of a consolidated sourcing strategies and vendor management program.

Additional risk are noted in the Confidential Appendix G.

Agreement Development

Four legal agreements have been drafted as follows:

- Joint Development Agreement (All Parties)
- Lease and Sub-Lease Agreement – revised from 2 agreements to 1(All Parties)
- Operations & Maintenance Agreement (All Parties)
- Solar Rooftop Agreement (COB and Burlington Hydro)

The Northeast Steering Committee has engaged the services of an external legal counsel to draft and review the four agreements and ensure the mutual agreement of all three parties. The priority is to execute all the agreements prior to tender award in July 2011.

A. Discussion

Tender Process

The Request for Pre-Qualification of General Contractors for the Alton Project was administered by HDSB as an open and competitive process that closed in August 2010. From the submissions received the HDSB and consultants short listed 10 qualified General Contractors, 10 Mechanical Subcontractors, 8 Electrical Subcontractors, 10 Masonry Subcontractors and 7 Roofing Subcontractors having experience in building similar sized projects and schools. The successful General Contractors pre-qualified were as follows:

General Contractors:

- The Atlas Corporation
- Aquicon Construction
- Bondfield Construction
- Jasper Construction
- Maple Reinders Construction
- Melloul- Blamey Construction
- Pre-Eng Contracting
- Percon Construction
- Strut-con Construction
- Tambro Construction

The HDSB T11-02 tender for the Alton Project, was issued on April 7, 2011, and picked up by all 10 pre-qualified General Contractors. 8 competitive bids were received from the 8 pre-qualified General Contractors on the closing date, May 17, 2011.

The tender for the Alton Project included alternate, separate and allowance price items. This allowed for the addition or deletion of items dependent on costing and project budget. See APPENDIX C.

The Project Management Team (PMT) is pleased to report that the Community Centre cost percentage of the Alton budget is within the Council approved budget. The Burlington Library has come in slightly over budget but are confident that additional monies can be reallocated in order to that their value percentage budget is favourable.

Currently, HDSB is over budget and is exploring strategies to reduce costs. One of the strategies being considered is the removal of the artificial turf field from their scope in order to make their approved budget. This resolution is tentatively scheduled for the first week of July 2011.

Tender Award

The tender price was submitted May 17, 2011 at which time the submissions were opened and reviewed. The lowest of 8 tenders received was submitted by Bondfield Construction at a total price of $40,637,000 (HST excluded). APPENDIX A summarizes the 8 tenders received. The low tender submitted by Bondfield Construction was reviewed and found to be a compliant.

All tenders included 6 alternate price items, 11 separate prices and 2 scope reductions, of which 3 alternate prices and 1 separate price apply to the COB budget. Pricing for these items is included in Confidential Appendix C. On review it is recommended that item #2 of the alternate items and item #3 of the separate prices be approved and accepted as part of the tender award.

At this time the deletion of the artificial turf field has not be confirmed by the HDSB and cannot be deducted from COB tender percentage value.

Inclusion of one separate price (security gate) will be shared 50/50 with the BPL, and deletion of the alternate foam-in-place urethane wall insulation will increase COB's community centre base tender price submitted by Bondfield Construction by an amount of $16,886 (HST excluded) to a total contract award price of $11,192,061 (HST excluded).

As the COB budget cannot support the separate cost associated with the Tree Canopy (which is an architectural feature at the entrance of the Community Centre), PMT will be working with PADIT to include this feature through a design competition.

Timelines

Proposed Timelines – Alton Project

Milestone	Completion Date	Status
HDSB Budget Approval	June 2011	Ongoing.
Building Permit	June 2011	Building Permit received
Execution of Legal Agreements	July 2011	Final comments from lawyer's week of June 27, 2011.
Tender Award Report Council	July 2011	Required before August 17, 2011 which is the expiration of tender.
Alton Construction Starts	August/September 2011	Pending.
Energy Model is Finalized	August 2011	In progress as consultant is reviewing "Construction" documents.
PADIT RFP	November 2011	Meetings to start up in September 2011 to discuss competition.
Norton Community Park Construction is Complete	December 2011	In Progress.
Tim Dobbie Streetscape Work is Tendered	March 2013	Ongoing Design.
Tim Dobbie Streetscape Construction	May -October 2013	
Alton Substantial Completion	July 2013	
Occupancy of the Alton Project	September 2013	

B. Financial Matters

The Alton community centre city project was included in the 2009 and 2010 capital budget for construction at $13,428,000. The furniture and fixture was approved in the 2011 capital budget in at $540,000. The total project budget for the community centre is $13,968,000.

The Alton library project was also approved as part of the 2009, 2010 and 2011 capital budget for construction, furniture and collections in the amount $3,915,000.

The Council approved budgets for the Alton Community Centre and Burlington Public Library are $13.968 million and $3.915 million respectively. Please see Appendix "D" for each party's value percentage.

The hard construction budget carried for COB and BPL was an average of two individual cost exercises prepared at the 95% Detailed Design stage. Utilizing these costs the total project cost including allowances and contingency was estimated at $14.184 million. The Project Management Team (PMT) put tender strategies in place that the overall project would be delivered within the approved budget of $13.968 million given the current and anticipated market conditions.

A breakdown of the total project cost and project financing is provided in Appendix B. Appendix B indicates that the estimated total project cost is $13,968,000 including project contingency.

The predicted energy and operating savings PMT is forecasting is as follows,

Predicted Savings Description	Estimated Cost Savings
The Energy Savings captured in the sustainable design of the Alton facility is as follows, With sustainable measures and methods incorporated into the Alton design (i.e. building automation system (BAS), Termo Build ceiling structures, increased insulation, efficient HVAC and lighting, high performance glass, occupancy sensors, low flow plumbing fixtures), this facility will be operating in a cost effective and environmentally conscious manner. The energy modeling has indicated that the HVAC system will be 33 per cent more energy efficient than code.	33% more energy efficient then code dictates which equates to approximately $4,000-7,000/year with a payback on our investment over 8 years. Alton Project has been accepted in the High Performance New Construction program with Enbridge Gas Distribution. The objective of this program is to reduce the peak electric demand in new building design and construction. Qualifying applicants can qualify for the following incentive calculations, 25.5 - 50% above code energy savings = $50/verified kw savings which is calculated at the end of construction and commissioning of the building.
The Solyndra Solar Rooftop system will capture approximately 70kw Solar Energy The City also is entering into an arrangement with Burlington Hydro (BH) for the supply and installation of a Rooftop Solar System (Solyndra) system which will provide energy back to the grid system. BH will also supply and install educational displays within the facility. This will be approximately a 70kw system that will be able to provide enough energy to 10 residential homes.	70kw = 10 residential homes

The budget for the Tim Dobbie Drive Gateway Improvements was approved in the 2011 Capital Budget under the Roadway Asset Category in the amount of $500,000. This budget includes streetscape work where the developer has contributed $340,000 for the credit of the entry features. The detailed design work has commenced and construction is to be phased commencing after Norton Park is completed.

C. Environmental Matters:

The design of the Alton facility, takes into consideration the use of building systems and materials that offer greater energy and water use efficiencies. The enhanced green

building design practices achieved a favourable outcome that will be benefited once the Alton Facility is operational.

Opportunities to optimize energy performance by design efficiency (i.e. increased insulation, efficient HVAC and lighting, high performance glass, occupancy sensors, low flow plumbing fixtures, building automation system etc.) will also be part of this new construction.

D. Communication Matters:

Staff will continue to inform stakeholders, including facility Users, of the status of the project, timelines and occupancy as well as any service impacts through the construction period.

Following the approval of this report, city staff will prepare an official ground breaking ceremony that is expected to take place summer of 2011. Residents will continue to be informed through a number of communications activities of the projects status as construction moves forward. These communications activities will include regular updates to the city's website and information in the city's newsletter City Talk.

The following communication initiatives have been implemented:

General Communication:

- Project updates provided via the City of Burlington website. http://cms.burlington.ca/Page5284.aspx
- Communications via the Library and Halton District School Board websites
- City Talk http://cms.burlington.ca/AssetFactory.aspx?did=12230

Other Communication:

- Time out Presentation

E. Conclusion

This report provides an update on the status of the Request for Tender T11-02, process administered by HDSB for the construction of the Alton Project and seeks approval to move forward with the General Manager of Community Services executing the legal agreements and Council's approval of the City's portion of this project being undertaken by Bondfield Construction.

PMT is pleased to report the COB remains on budget. PMT will continue to work with Alton stakeholders and neighbours to ensure the project is a success. PMT will continue to monitor COB and BPL's construction costs to maintain the total project budget.

The Alton facility will be the City's main sports complex and will provide a venue for provincial and municipal sports as well as community events.

Respectfully submitted,

Jennifer Johnson
Coordinator Project Management
905-335-7600 x7358

Cindy Mercanti
Manager, Rec Services
905- 335-7749

Appendices:

Appendix A – Tender Submissions
Confidential Appendix B – Costing and Financing
Confidential Appendix C – Alternative and Separate Tender Submissions
Confidential Appendix D – Partners Value Percentages
Appendix E – Alton Project Artist Illustration
Appendix F – Alton Project – Ground and Second Level Floor Plans
Confidential Appendix G –Risks Assessment

Notifications:
(after Council decision)

Name	Mailing or E-mail Address
Maureen Berry	barrym@bpl.on.ca
Judy Hyland	hylandj@bpl.on.ca
Gerry Cullen	culleng@hdsb.ca
Dave Euale	

Approvals:
*required

*Department	City Treasurer	General Manager	City Manager

	To be completed by the Clerks Department
Committee Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn
Council Disposition & Comments	
	01-Approved 02-Not Approved 03-Amended 04-Referred 06-Received & Filed 07-Withdrawn

APPENDIX A

Alton Project
HDSB Tender T11-02 Submissions

Tender Submitted By:	Total Tender Value, (excludes HST)
• Bondfield Construction	$40,637,000.00
• Aquicon Construction	$41,267,000.00
• The Atlas Corporation	$41,640,000.00
• Tambro Construction	$41,680,000.00
• Pre-Eng Contracting	$41,919,000.00
• Percon Construction	$41,920,000.00
• Jasper Construction	$42,945,000.00
• Maple Reinders Construction	$42,970,000.00
• Melloul- Blamey Construction	Did not bid
• Strut-con Construction	Did not bid