



CITY OF KINGSTON
REPORT TO COUNCIL

Report No.: 12-230

TO: Mayor and Members of Council

FROM: Denis Leger, Commissioner, Transportation, Properties and
Emergency Services

RESOURCE STAFF: Peter Huigenbos, Acting Director, Real Estate &
Construction Services

DATE OF MEETING: June 19, 2012

SUBJECT: Award of RFP F31-TPES-RCS-2012-06 Transit Facility
Expansion

EXECUTIVE SUMMARY:

Council approved the expansion of the Kingston Transit Facility at 1181 John Counter Blvd. in the 2011 capital budget. The project includes the construction of a new indoor bus storage facility, the addition of cleaning bays to the existing transit maintenance garage and associated site servicing. The capital budget for the project is \$10.1M.

Staff issued an RFP in April 2012 for the construction of the project, and received eleven responses. A cross-departmental team conducted a detailed review and evaluation of the submissions, including reference checks and interviews with the top-ranked proponents.

The proposal from the recommended firm, Peak Engineering & Construction Ltd., was not the lowest priced proposal submitted. Article 3.4 of the Purchasing By-Law requires that when the lowest bid or proposal is not accepted, the procurement must be approved by a separate report to Council.

RECOMMENDATION:

THAT Council authorize the Mayor and Clerk to execute a contract with Peak Engineering & Construction Ltd. in the amount of \$5,883,500 plus HST for the construction of the Transit Facility Expansion, in a form satisfactory to the Director of Legal Services.

June 19, 2012

- Page 2 -

AUTHORIZING SIGNATURES:

ORIGINAL SIGNED BY COMMISSIONER Denis Leger, Commissioner, Transportation, Properties & Emergency Services
ORIGINAL SIGNED BY CHIEF ADMINISTRATIVE OFFICER Gerard Hunt, Chief Administrative Officer

CONSULTATION WITH THE FOLLOWING COMMISSIONERS:

Cynthia Beach, <i>Sustainability & Growth</i>	N/R
Lanie Hurdle, <i>Community Services</i>	N/R
Jim Keech, <i>President and CEO, Utilities Kingston</i>	N/R

(N/R indicates consultation not required)

OPTIONS/DISCUSSION:

The City of Kingston is expanding the Transit Facility at 1181 John Counter Blvd. to accommodate a new indoor bus storage garage and new bays in the existing maintenance garage for cleaning the interior of buses. The project includes driveways, parking areas and associated site servicing. Construction is scheduled for completion in the summer of 2013.

Council approved a capital budget of \$9.9M for the Transit Facility Expansion. As well, a budget amendment in the 4th quarter 2011 capital report reallocated \$200K from the *Transit Bus Storage Feasibility Study* to this project, bringing the total budget to \$10.1M.

Procurement Process

Staff issued a Request for Proposals (RFP) for construction of the Transit Facility Expansion in April 2012. The RFP closed on May 9th, and eleven proposals were received. The proposals were evaluated according to the following weighting as provided in the RFP:

Company Profile	5%
Experience	20%
Proposed Methodology	15%
Financial Component	55%
AODA Compliance	5%

Experience was evaluated on the basis of successfully completed projects of comparable type, size and complexity, certified LEED projects, and qualifications of the proposed project personnel. The scoring for methodology was based on the proposed project schedule, project management methods and the sub-trades and suppliers carried.

The proposals were evaluated by a staff committee with representatives from Kingston Transit, Fleet and Real Estate & Construction Services, with support from Legal Services and Shoalts and Zaback Architects. The spread between the price scores of the five lowest proponents was less than 1.25 points. Based on the preliminary evaluation, the committee invited the four top-ranked firms for interviews. The interviews focused on the categories of Experience and Proposed Methodology.

Following the interviews, the submissions were ranked in the following order:

Ranking	Proponent	Score	Cost
1	Peak Engineering & Construction Ltd.	95.02	\$5,883,500
2	Emmons & Mitchell Construction	91.00	\$5,779,000
3	Elite Construction Inc.	87.80	\$5,800,000
4	Buttcon Limited	86.77	\$5,911,000
5	Laurin General Contractor	84.93	\$6,121,000
6	Thomas Fuller Construction Co. Ltd.	82.11	\$6,100,000
7	Cupido Construction Ltd.	81.33	\$5,850,000
8	Taplen Construction Inc.	72.97	\$6,298,000
9	Wemp & Smith Construction Ltd.	71.45	\$6,300,000
10	Ross Clair Contractors	71.44	\$6,494,000
11	Accel Construction Management Inc.	67.95	\$6,917,333

All four interviewees are skilled and experienced contractors capable of completing the project.

The proposal submitted by Peak Engineering & Construction Ltd. provides a clear understanding of the scope of work, provides good value for money, and demonstrates their team's recent experience in the construction of buildings of comparable type, size and complexity. Peak scored highest of all of the proponents in the categories of Proposed Personnel and Schedule & Methodology. They also scored well in Related Project Experience, LEED Team & Experience and Sub-trades & Suppliers. Their proposed project personnel have demonstrated success in working together on previous City of Kingston projects, including the INVISTA Centre and the new Operations Centre for Public Works. They have established working relationships with their sub-trades and suppliers, and have successfully completed several LEED projects. Peak's proposed construction schedule is realistic and achievable, and demonstrates a clear understanding of the project challenges and objectives. They intend to complete the addition before the winter, which will help to minimize disruption to Transit operations. Their proposed methodology is thoroughly described, and incorporates good project management practices. Their price is \$104,500 higher than the lowest bid, which amounts to 1.8% of the contract value.

June 19, 2012

- Page 5 -

The other proponents interviewed did not demonstrate the same combination of related project experience, LEED experience, project management methods and qualified personnel as was presented by Peak. In some instances, proposed schedules did not give the evaluation team the same level of certainty as to the proponents' understanding of the project challenges and objectives, thereby creating significant project schedule and financial risk.

Specifically:

- i) The second ranked proposal from Emmons & Mitchell Construction did not have the level of experience in similar building construction presented by PEAK since most of their projects have been of a smaller scale. While their lack of similar LEED experience was offset to a certain degree by being supported by a solid LEED consultancy, their own staff has limited experience in LEED projects. Their schedule and proposed methodology did not demonstrate the level of detail and rigour that staff expects on a project of this size. They submitted the lowest price with their proposal.
- ii) The third ranked proposal from Elite Construction did not provide the same level of certainty around the schedule and project team presented by Elite compared to either PEAK or Emmons & Mitchell. Unlike the other top-ranked proponents, the proposed personnel had not previously collaborated as a team. The interview was not as successful in that the same level of detail was not received in the answers given. Their schedule and methodology did not demonstrate a thorough understanding of the challenges specific to this project. Their price was \$21,000 higher than the lowest proposal.
- iii) The fourth ranked proposal from Buttcon scored highest of all of the proponents on related project experience as they have built several transit garages in the Toronto area. However, while this firm has this significant experience in transit facilities, it presented a very aggressive schedule that could place the City at unnecessary risk of change orders and other uncertainties. They told the interview panel that they intended to claim for extra costs for any delays beyond their control if the project was not completed by the end of November. The RFP as issued allowed to the end of June 2013. There was no allowance in their price for winter construction, and their schedule depended on fast-tracking shop drawing review, which may not be possible. Given the need to coordinate transit operations with the construction site, staff was more comfortable with the proposed approach of other proponents. Their price was \$132,000 higher than the lowest proposal before the consideration of the change orders the team indicated could well be required.

Peak Engineering & Construction Ltd. has met all the requirements of the RFP. It is staff's opinion that they have ranked highest amongst the proponents and accordingly, staff is recommending that they be awarded the contract for this component of the Transit Facility Expansion project.

June 19, 2012

- Page 6 -

EXISTING POLICY/BY LAW:

Purchasing By-law 2000-134 as amended.

NOTICE PROVISIONS:

There is no notice provision required for this report.

ACCESSIBILITY CONSIDERATIONS:

The proposal from Peak Engineering & Construction Ltd. stipulates that they will comply with the Accessibility for Ontarians with Disabilities Act, 2005.

FINANCIAL CONSIDERATIONS:

There are sufficient funds in the overall project budget of \$10.1 million to cover the building component of the project, including the contract award to Peak Engineering & Construction Ltd.

CONTACTS:

Peter Huigenbos, Acting Director, Real Estate & Constr. Services	613-546-4291 ext. 3148
Debra Krakow, Project Manager, Real Estate & Constr. Services	613-546-4291 ext. 3120

OTHER CITY OF KINGSTON STAFF CONSULTED:

Jeremy DaCosta, Manager, Kingston Transit
Bud Steele, Manager, Fleet
Sheila Kidd, Director, Transportation Services
Stephen Dickey, Deputy Treasurer
Janis Morrison, Purchasing
Alan McLeod, Senior Legal Counsel

EXHIBITS ATTACHED:

None