



January 25, 2001

To: The Board of Governors of Exhibition Place

From: Danny Chui
Manager, Capital Works

Subject: **Tender for BETTER LIVING CENTRE
Renovation for Casino
Contract No. 01-0102-10202**

Recommendation:

It is recommended that the Board award Contract No. 01-0102-10202BLC to James Kemp Construction in the amount of \$710,710.00, this being the lowest tender received.

Background:

At its October meeting, the Board approved a budget of \$785,000 as part of the 2001 Capital Works Program for the Casino Renovation project at the Better Living Centre (BLC) at Exhibition Place. This project was submitted to the City for pre-approval in January, 2001.

Discussion:

The Casino has operated during the CNE in the Ontario Government Building for the last seven (7) years. This building has now been leased for 20 years by a private corporation for a premium year-round entertainment facility. As the Casino is a major source of revenue for the CNE (net profit approximately \$600,000), it is desirable that it be relocated and continue to operate and the Better Living Centre is the preferred location. As part of the work, an area of 53,000 sq. ft. will be partitioned off in the east side of the building; air conditioning and an internal partition will be added to the northeast corner of this building for the VIP section; security cameras and lighting will be as required; the game area needs enclosed rooms for teller cages and chipbank; and to support the operation surveillance, count and storage rooms have to be constructed. As this facility has to be ready for the CNE Casino by early July, a pre-approved Capital Budget was requested and received through the City.

A Tender was issued in mid-January for this project and Fatima Scagnol, Corporate Secretary, supervised the tender opening. On January 24, 2001, twelve (12) submissions were received. These price submissions excluding GST are as follows:

TENDERER	SUBMITTED TENDER PRICE	MOVABLE WALL SYSTEM	TOTAL CONSTRUCTION PRICE	RECOMMENDED CONTRACT PRICE
James Kemp Const.	642,124	68,586	710,710	710,710
M.J. Dixon Const. Ltd.	646,361	78,253	724,614	
HN Const. Ltd.	658,000	72,000	730,000	
Struct-Con Const.	688,034	85,800	773,834	
Derbtile Const.	677,300	104,500	781,800	
MRP Builders- Engineers Inc.	699,241	83,000	782,241	
Ross Clair Const.	662,616	127,000	789,616	
Land Const. Co. Ltd.	699,900	105,000	804,900	
Steelcase Const.	736,950	85,000	821,950	
Beaverland Const.	*748,900	Not Submitted	Incomplete	
JJ McGuire General Const.	*715,000	Not Submitted	Incomplete	
Martinway Const.	784,211	112,000	897,211	

*** Informal – Details not submitted or incomplete**

The estimated budget for this work (construction costs, engineering fees, disbursements and Project Management costs) is \$785,000 under the Capital Works Account No. 0102. Contained within this figure is \$685,000 for actual Casino Renovations, \$50,000 for in-house Project Management Costs and \$50,000 for engineering fees and disbursements. There is therefore a \$25,710 shortfall from the construction budget based on the tenders received.

During the 2001 budget process, the City implemented a new policy regarding project management cost (staff salaries and administrative cost). All departments were directed to identify and to include these costs within each project of the capital budget rather than in the operating budget. While an amount of \$785,000 was originally submitted for the Casino project for actual construction costs, this was reduced with the addition of the management cost of \$50,000. Given the financial importance of this project, it is recommended that the construction budget be increased by \$50,000 to \$735,000 and that this \$50,000 project management cost previously assigned to this project be spread out throughout the remaining projects in the 2001 Capital Works program budget. The additional \$24,290 over the tender contract price will fund

the installation of required pipe grid for the lighting and security cameras by in-house staff.

Accordingly, it is the recommendation of the Board's consultant, Barry Bryan Associates Ltd. And the Manager of Capital Works that this contract be awarded to James Kemp Construction in the amount of \$710,710.00 which includes \$20,000 for contingency; this being the lowest tender received.


This recommendation is contingent upon approval of the Toronto Commissioner of Finance and Treasurer for the Surety Company who will supply the bonding requirements and the Fair Wage Office to confirm that the recommended contractor and its sub-contractors maintain wage rates and working conditions in accordance with Toronto Workers' Rights requirements.

The Treasurer has previously certified, at the time of project approval, that financing can be provided under the updated Debt and Financial Obligation Limit and that it falls within corporate debt guidelines.

Conclusion:

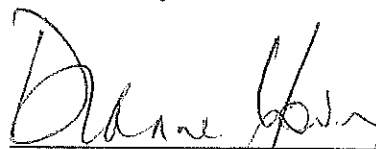
This report recommends that the Board award Contract No. 01-0102-10202 to James Kemp Construction in the amount of \$710,710.00 for Renovation of the Casino at the Better Living Centre

Submitted by:



Danny Chui
Manager, Capital Works

Reviewed by:



Dianne Young
General Manager & CEO

DC/db

