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January 18, 2002

EXHIBITION PLACE

To: The Board of Governors of Exhibition Place

From: Dianne Young
General Manager & CEO

Subject: **Tender for Automotive Building
Installation of Equipment & Associated Ductwork
Contract No. 01-0014-10405 I**

Recommendation(s):

It is recommended that the Board award the Automotive Building Air Conditioning installation contract, Contract No. 01-0014-10405I, to Lockerbie & Hole Contracting of Mississauga in the amount of \$1,690,328.00 excluding G.S.T., this being the lowest tender received.

Background:

The Board approved a budget of \$1,250,000 as part of the 2001 Capital Works Program, for Phase I of the air-conditioning project in the Automotive Building. As part of the same 2001 – 2005 Capital Budget submission, the Board and the City also approved a sum of \$1,120,000 for year 2002 as Phase II for the completion of this work, making the total budget of \$2,370,000. In its July, 2001 meeting, the Board directed staff to proceed with the air-conditioning project based on the feasibility study. At its meeting November, 2001, the Board approved a quotation at a cost of \$163,802.52 for the pre-purchase of air-handler equipment.

The scope of the project includes the installation of the pre-purchased Air-Handling Units (AHU's) on the roof of the Automotive Building and the associated ductwork. This method of bringing the chilled and heating water from the National Trade Centre will provide the cooling and heating requirements for the Automotive Building.

Discussion:

The tender for Installation was issued in late December and Paul Egli, Director of Finance supervised the tender opening of this Capital Project on January 9, 2002. Nine (9) contractors were pre-qualified for this work and eight (8) tenders were received. These price submissions, excluding GST, are as follows:

| <u>Tenderer</u> | <u>Submitted Tender Price</u> | <u>Reduction in Scope & Adjustment</u> | <u>Recommended Contract Amt.</u> |
|---|-----------------------------------|--|--------------------------------------|
| Lockerbie & Hole Contracting | \$ 1,754,000.00 | - \$ 63,672.00 | \$ 1,690,328.00 |
| Comstock Canada Ltd. | \$ 1,751,650.00 | - \$ 53,364.00 | \$ 1,698,286.00 |
| Adelt Mechanical Works Ltd. | \$ 1,828,387.00 | - \$ 42,361.00 | \$ 1,786,026.00 |
| Black & MacDonald Ltd. | \$ 1,870,000.00 | - \$ 31,709.00 | \$ 1,838,291.00 |
| Sayers & Associates Ltd. | \$ 1,986,983.00 | - \$109,363.00 | \$ 1,877,620.00 |
| Modern Niagara Toronto Inc. | \$ 1,941,000.00 | - \$ 40,743.00 | \$ 1,900,257.00 |
| Urban Mechanical Contracting Ltd. | \$ 2,027,500.00 | + \$ 47,678.00 | \$ 2,075,178.00 |
| Air Con Systems | \$ 2,247,124.00 | N/A | Withdrawn |

The total budget (2001/2002) for this work (construction costs, engineering fees, project management and administration costs) is \$2,370,000 under the Capital Works Account No. 0014. Contained in this figure is \$1,695,000 reserved for this installation work.

The original submitted low tender price from Comstock Canada Ltd. of \$1,751,650.00, which includes a contingency of \$165,000.00, is therefore over budget. Generally, the bids are over budget because of the escalation of construction prices in 2001 and the selection of the Johnson Control system to be compatible with the existing one in the NTC. Accordingly, minor reductions to the scope of work were necessary in order to lower the price to within budget. With all the adjustment and reduction of scope, Lockerbie & Hole Contracting was the low bidder at \$1,690,328.00.

Adjustments, additions or deletions are allowed and stipulated in the tender documents. In addition to the oral explanation provided at the pre-bid site and tender opening meetings, the tender documents show a clear intention on the part of Exhibition Place to reserve the right and discretion to evaluate all bids based on price saving and alternatives submitted in the Appendices. As well, Appendix II indicated that such changes may occur prior to, or after, awarding the tender and that work might be deleted by the Owner in order to bring the contract price within budget. City Legal was consulted and is in agreement with this approach.

All bidders are pre-qualified and are considered to be technically equivalent in the consultant's

qualification review. Lockerbie & Hole Contracting is a large contracting firm originally based in Western Canada. The mechanical engineering sub-consultant on this project has successfully worked with the parent company on previous projects. Senior staff in the Ontario office of Lockerbie & Hole, previously worked for S.I. Guttman, which has a 35-year reputation in Ontario for quality work in numerous office buildings, industrial, light industrial, and hotel projects.

Therefore, it is the recommendation of the Board's consultant, Toronto Hydro Energy Services Inc. and the Manager of Capital Works that this contract be awarded to Lockerbie & Hole Contracting in the amount of \$1,690,328.00; this being the lowest acceptable tender received.

This recommendation is contingent upon approval of the Toronto Commissioner of Finance and Treasurer for the Surety Company which will supply the bonding requirements and the Fair Wage Office to confirm that the recommended contractor and its subcontractors 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 the air-conditioning installation work of Contract No. 01-0014-10405 to Lockerbie & Hole Contracting in the amount of \$1,690,328.00.

Contact:

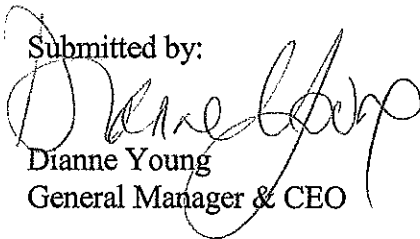
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Submitted by:



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