

Staff Report to Council

Engineering Department

FILE: 02-0890-03/20

REPORT DATE: November 23, 2020 MEETING DATE: December 01, 2020

TO: Mayor and Council

FROM: J. Hart, Project Manager – Major Projects

SUBJECT: Fire Hall Replacement Project – Recommendation to Award
Construction Contract

CHIEF ADMINISTRATIVE OFFICER REVIEW/APPROVAL:



RECOMMENDATION(S): THAT Council:

- A. Receive for information the Staff Report titled “Fire Hall Replacement Project – Recommendation to Award Construction Contract” as presented at the December 1, 2020 Council Meeting; AND
- B. Direct staff to award the construction of the new Fire Hall to Jacob Bros. Construction Inc. and coordinate execution of the contract for a total of \$12,792,100.00 (excluding GST); OR
- C. Other.

PURPOSE

To provide Council with an update on the tender results for the construction of the new Fire Hall and recommend award to the general contractor that would provide the best overall value to the City. A brief update on the cell tower and recent grant application are also provided.

Information Report

Decision Report

Direction Report

DISCUSSION

Background:

The Fire Hall Replacement Project is a major project for the City and a number of milestones have been accomplished this year, including prequalification of general contractors, demolition of the existing Fire Hall, relocation of the fire department to the temporary hall, completion of the detailed design and tender for the construction of a new Fire Hall.

In April 2020, general contractors were prequalified via a Request for Expressions of Interest and Statements of Qualifications (REI-SQ) The purpose of the REI-SQ was to evaluate interest in the Fire Hall Replacement Project and to generate a shortlist of prequalified general contractors that would be able to bid the project later in the year.

Twenty submissions were received and evaluated based on the following criteria:

- Experience (35%)
- Ability/Capacity (20%)
- Corporate Profile/Personnel (15%)
- References (15%)
- Corporate Reputation (10%)

After reviewing and evaluating all submissions, eight general contractors were prequalified for the Fire Hall Replacement Project:

1. Bird Construction Group
2. Chandos Construction Ltd
3. Graham Construction and Engineering LP
4. Jacob Bros. Construction Inc
5. Kinetic Construction Group
6. PCL Constructors Westcoast Inc
7. Pomerleau Inc
8. Stuart Olson Inc*

*Note that on July 29, 2020, Bird Construction Group acquired Stuart Olson Inc, therefore reducing the eight prequalified general contractors to seven.

Relevant Policy, Bylaw or Legislation:

Purchasing and Procurement Policy C012 - Note that the low bid can be approved by the CAO. Due to the importance, impact, and cost of this project and complexities with alternatives and unit rates, a summary and recommendation of award are being brought before Council for consideration.

Analysis:

In September 2020, tender packages including the detailed design drawings, specifications and bid documents were distributed to the seven prequalified general contractors. Each contractor was requested to submit the following pricing:

- **Base Bid** – includes all items required to construct the Fire Hall as shown in the contract documentation. This value included several cash allowances for third party utilities, landscaping, COVID and piling.
- **Alternatives** – items that, dependent on the prices submitted by the general contractors, the City would either accept and add to the base bid, or reject. These alternates included less desired gear storage lockers, electrical vehicle charging station (conduit for station included in base bid, irrigation system, alternative flooring and signage options.
- **Unit Prices / Hourly Rates** – rates used if unknown conditions arise, or if known conditions extend past their expected duration – resulting in a contract scope increase and/or a contract schedule extension.

The tender period closed on November 10, 2020, with all seven prequalified general contractors submitting bids. The submissions were reviewed by Johnston Davidson Architecture (JDA) and staff. The base bids ranged from \$12,778,817.94 to \$14,756,188.00, excluding GST. The three lowest bids were within 3.8% of each other and once the recommended alternatives were selected (alternate flooring), the two lowest bids were only separated by 0.12%. Further review of the submitted documentation was undertaken, including the construction schedule and unit rate pricing. Of the three lowest bidders, Jacob Bros. was the only bidder to submit a detailed construction schedule and provided the lowest, most reasonable unit rates. In summary, Jacob Bros. provided:

- A base bid that was very competitive
- Alternate pricing that was very competitive
- A weekly coordination rate that is reasonable if additional coordination with the cell tower contractor is required
- A daily general condition and requirements rate that is reasonable if the contract schedule happens to require a small extension
- Unit and hourly rates that were very competitive
- A detailed construction schedule with a substantial completion date of May 4, 2022 (two months earlier than requested). Note that this was based on the assumption that the City would award by November 25, 2020.

For these reasons, staff and JDA recommend awarding the construction of the new Fire Hall to Jacob Bros. More information is provided in Attachment A.

Cell Tower Update

Staff continue to work with the Tower Carriers, BC Hydro, and other various subcontractors to expedite the construction of the new cell tower, decommission the old cell tower, and install 3 phase power to the fire hall site. Despite all parties working towards common goals, there has been schedule creep that has resulted in the expected completion date of these activities to be pushed to February 2021. This is largely dependent on activities by BC Hydro and various Carrier subcontractors.

The Fire Hall tender documents specified a start date of January 4, 2021, which means there would be roughly a month of overlap where the cell tower contractor would be on site at the same time as the Fire Hall contractor. Staff analyzed various options and recommend pushing the Fire Hall construction start date to mid-February. This date could change slightly depending on schedule feedback received from both the Carriers and BC Hydro in the next week or two. In the event that the tower work is further delayed, the unit rates outlined in Jacob Bros. contract would apply and the City would try to negotiate with the tower carriers to try to recoup costs for delays within their control. The proposed change to the construction start date would likely result in Jacob Bros. substantial completion date being pushed out to mid-June 2022, which is still within the timeframe originally expected (July 2022).

Community Economic Recovery Infrastructure Program

The Community Economic Recovery Infrastructure Program (CERIP) was developed by the provincial government to help communities in BC recover from the economic impacts experienced from COVID-19. The EOC portion of the Fire Hall Replacement Project was eligible for an application to the CERIP because it will be community oriented, open for public use, and constructed within the timeline requirements (December 31, 2021 – March 31, 2023).

Staff prepared and submitted an application on October 30, 2020. If successful, the City could receive funding for the EOC portion of the Fire Hall Replacement project, up to \$1 million.

The CERIP documentation states that successful applicants will be contacted by early winter of 2020/21. Award and start of construction would not affect the outcome of the application.

COUNCIL STRATEGIC PLAN ALIGNMENT

- Principled Governance Balanced Economic Prosperity Corporate Excellence
 - Community Spirit & Wellbeing Transportation & Infrastructure Initiatives
 - Not Applicable
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FINANCIAL IMPLICATIONS

- None Budget Previously Approved Referral to Business Planning
 Other

The City's budget for the design, contract administration, management and construction of the fire hall (including allowances, contingencies, alternates and tower coordination) is \$15,352,614.97. If awarded to Jacob Bros., the construction contract would be for \$12,792,100.00, plus GST.

Considering all known costs associated with the project in addition to the construction contract, there would be a small contingency remaining for any additional work/change orders that may arise throughout construction, albeit the contingency is not as high as would be preferred by staff. Close management oversight will be needed.

The values above do not account for any potential grant funding that could be received for the EOC portion of the project.

PUBLIC PARTICIPATION

- Inform Consult Involve Collaborate Empower

Comment(s):

Once a general contractor is selected and a contract is executed, an update would be provided to the public via the City's website. Prior to starting construction, a letter would be distributed to residents directly impacted by the construction. This would be a follow-up to the letter sent to residents in July 2020.

KATZIE FIRST NATION CONSIDERATIONS

Referral Yes No

SIGN-OFFS

Written by:

Justin Hart,
Project Manager – Major Projects

Reviewed by:

Samantha Maki,
Director of Engineering & Operations

ATTACHMENT:

- A. Pitt Meadows Firehall Replacement – Tender Recommendation, from JDA dated November 20, 2020



November 20, 2020

Mr. Justin Hart
Project Manager – Major Projects
City of Pitt Meadows
12007 Harris Road,
Pitt Meadows, BC
V3Y 2B5

Re: Pitt Meadows Firehall Replacement - Tender Recommendation.

Dear Mr. Hart,

We are writing to provide a summary and recommendation on the results of the tender of the Pitt Meadows Firehall.

1. ***Tender process overview:***

- a) There were 8 Prequalified Contractors who were selected to participate in the tender as a result of a Pre-Qualification process completed earlier in the summer of 2020. At the tender close, 7 of 8 bids were submitted with the 8th Contractor withdrawing from the process as they had amalgamated with one on the other companies on the list. This is a very good response in the current market conditions and represents a competitive market condition.
- b) The tender was released on September 29th and closed on November 10th, open for 6 weeks, with 13 Addenda being issued to answer inquiries. Project drawings were circulated to all General Contractors through a localized digital format. The drawings were further circulated to industry through the BC Construction Association’s Bid Central system and online information system known as Construct Connect to ensure that the documents were circulated as widely as possible throughout the province. Response from the General Contractors, Sub-Trades and Suppliers was very high demonstrating high level of interest in the project.
- c) Tender closed on November 10th at 3:00pm and the results were opened privately and assessed for compliance.
- d) Following a compliance review, the three lowest bidders were evaluated further to assess in more detail the pros and cons of each submission.
- e) The three lowest bids are noted below in alphabetical order. These bid numbers include the acceptance of Alternate Price #4. The remainder of the Alternate Prices have not been accepted at this time.

I.	Chandos Construction	\$ 13,262,000.00
II.	Jacob Brothers Contractors Inc.	\$ 12,792,100.00
III.	Pomerleau Inc:	\$ 12,776,817.94

- f) There is a difference of \$ 15,282.06 between the two lowest bidders and a difference of \$485,182.06 between the lowest and the third lowest bids.

2. ***Bid Evaluation:***

- a) **Construction Schedule:** In assessing three lowest bids, only one submission included a detailed construction schedule. Jacob Bros Construction included a preliminary construction schedule which outlines how they would approach the project on a monthly basis and showing a completion date of May 2022, which is two months ahead of the proposed project completion as outlined in the tender. This provides the project with a buffer to the original completion date of July 2022 and demonstrates an ability to address the complexity of the construction in the timeline suggested.



Pomerleau Inc. and Chandos Construction did not provide a schedule but agree to completion of the project by July 2022 with no suggestion of how the project will be managed and provision of any construction buffer.

- b) **Unit Prices / Hourly Rates: Schedule F:** The Evaluation of the hourly rates for many of the trades rates seems to be acceptable for all three bidders. However, there is a larger concern under the categories of “ Weekly Unit Rate for working around the Owner’s Cell Tower Forces” and the Daily rate outlined for “General Condition + Requirements”. A comparison is as follows:

<i>Contractor</i>	<i>Weekly Unit Rate Owner's Forces</i>	<i>General Condition + Requirements (Daily Rate)</i>
<i>Chandos</i>	<i>\$19, 100.00</i>	<i>\$ 3,825.00</i>
<i>Jacob Bros.</i>	<i>\$ 450.00</i>	<i>\$ 1,790.00</i>
<i>Pomerleau</i>	<i>\$ 7,500.00</i>	<i>\$ 4,600.00</i>

The concern with these hourly rates is that these numbers could greatly impact the final cost of the project if there are any unforeseen delays and / or if the cell tower provider is delayed in their work. The numbers as submitted by Jacob Bros show a better understanding of the construction process and are closer to what would be expected as a result of industry standards.

- c) **Schedule of Values: Appendix H** – in reviewing these documents for each contractor, there are some concerns which arise. These assessments are solely based on comparison between bids and construction experience.
- The General Conditions as listed by Pomerleau Inc. are significantly lower than the other bidders. This includes a wider evaluation of all tender submissions for comparison. The Pomerleau number is almost than half of that presented by Jacob Bros Construction and demonstrates a concern that they have under estimated the person power required to deliver this project through to the end of construction.
 - The Ground Densification costs as listed by Pomerleau Inc. are noted at double the value of that has been identified on any of the other 7 submissions. The concern with this approach is that it could “front load” the contract values causing a potential shortfall of funds and resources to be allocated over the remainder of the project. Both Jacob Bros and Chandos have lower values noted under this category and their submission does not result in any cause for concern.

As a result of the evaluation noted above and the closeness of the bids themselves, JDa recommends awarding the project to Jacob Bros Contractor’s Inc.

It is our opinion that as per the instructions under Section 00 21 13 Instructions to Bidders, Item 1.1.5, the City has the ability to accept or reject any bid which has been submitted. We would recommend that the City review this recommendation with in house staff and receive legal advice for a final assessment.

Please do not hesitate to contact me if you have any further questions or comments.

Sincerely,



Kimberly Johnston, Architect AIBC, MRAIC, LEED AP

c.c. Samantha Maki Director of Engineering – City of Pitt Meadows