



## STAFF REPORT

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**DEPARTMENT/FUNCTION:** Engineering, Water & Wastewater

**CHAIR:** Mayor Strathearn

**DATE:** January 28, 2019

**REPORT NO:** **ENG2019-02**  
**King Street Rejuvenation RFP ENG 2018-15**

### **RECOMMENDATION:**

**That Council receive report ENG2019-02 King Street Rejuvenation Request for Proposals ENG2018-15;**

**That Council receive staff's evaluation of the Request for Proposals with Arnott Construction Limited as the highest scoring proponent; and**

**That Council direct staff to undertake stakeholder consultations on the timing for the construction project and report back to Council.**

### **BACKGROUND:**

On February 12, 2018 Council directed staff to undertake a public meeting to present and receive comments on the 90% design of the King Street Rejuvenation Project (the "Project"). Comments were received at the public meeting held March 29, 2018. The main issue arising from the public meeting was the timing and sequencing of the project to reduce business and tourism disruption.

C.C. Tatham and Associates Ltd. (the "Consultant") completed the 100% design drawings and prepared a request for Pre-Qualified Contractors and a Request for Proposals for the Project. The Request for Pre-Qualified Contractors was issued on July 27, 2018 and closed on September 5, 2018. Submissions to the Request for Pre-Qualification were received from:

- Arnott Construction Limited
- Georgian Paving Ltd.
- J.B Enterprises Ltd.; and
- Seely & Arnill Construction.

All four of the submissions from these contractors were acceptable and each were requested to submit firm price proposals, details of their construction teams and a

business mitigation plan through RFP ENG 2018-15. The Request for Proposals was issued on November 9, 2018 and closed on January 15, 2019.

**ANALYSIS:**

By issuing an RFP for this project the technical skills, planning and schedules of the contractor could be evaluated in addition to the price. The RFP evaluation allocated 30 technical points out of 100 point for the skills, planning and scheduling proposed by the contractor and 70 points to the price. The evaluation scorecard was presented in the RFP document and requested the proponents to submit specific information to allow the evaluation of their proposals. Proponents had to achieve a score of 70% on the technical evaluation to have their price envelope opened.

The evaluation committee had members from Town staff and the Consultant. All four of the Pre-Qualified vendors submitted proposals to the RFP. The results of the evaluation were as follows:

	<b>ARNOTT</b>		<b>GEORGIAN</b>		<b>J.B.</b>		<b>Seeley &amp; Arnill</b>	
<b>Stage I Mandatory Criteria</b>	<b>Pass:</b>	Yes	<b>Pass:</b>	Yes	<b>Pass:</b>	Yes	<b>Pass:</b>	
	<b>Fail:</b>	-	<b>Fail:</b>	-	<b>Fail:</b>	-	<b>Fail:</b>	Yes
	<b>Score</b>		<b>Score</b>		<b>Score</b>		<b>Score</b>	
<b>Stage 1 Rated Criteria</b>	<b>26.0</b>		<b>23.0</b>		<b>21.8</b>		<b>18.4</b>	
<b>Stage 2 Price (\$)</b>	<b>\$12,083,000.00</b>		<b>\$13,557,556.39</b>		<b>\$12,067,705.09</b>		<b>NA</b>	
<b>Pricing Points</b>	<b>69.9</b>		<b>62.3</b>		<b>70.0</b>		<b>55.7</b>	
<b>TOTAL SCORES</b>	<b>95.9</b>		<b>85.3</b>		<b>91.8</b>		<b>74.1</b>	
<b>Ranking</b>	<b>1</b>		<b>3</b>		<b>2</b>			

Figure 1 - Base Evaluation not including Taxes

The evaluation deemed that the proposal from Seeley & Arnill Construction did not meet the 70% scoring requirement for the technical requirements as established in the RFP and therefore its price envelope was not opened.

Arnott Construction Limited had the highest score overall combining both the technical evaluation and price scoring and is therefore recommended as the preferred bidder for the Project.

**RFP Timing Options**

The RFP had two timing options that the proponents could bid on. A mandatory requirement was “Option 1 - to complete the construction project over three construction seasons” being:

- Phase 1 – Bayshore Dr. to Hugel Ave to be substantially complete by November 30, 2019;

- Phase 2 – Hugel Ave to Yonge St. to be substantially complete by November 30, 2020; and
- Entire project completed by May 30, 2021.

Option 1 only allowed the contractor to close one block at a time to vehicle traffic.

An optional request, “Option 2”, was for the contractor to state a price increase or decrease, and implications for:

- Substantial completion from Bayshore Dr. to Yonge St. by November 30, 2019; and
- Entire project completion by May 30, 2020.

The prices noted in Figure 1 are for the project to be completed in two phases, being Option 1, ending in 2021.

The preferred bidder, Arnott Construction Ltd., stated that completing the majority of the project in one year, with completion in 2020 would be an additional \$165,000 plus taxes. This option would also require that the entire length of King St. from Bayshore Dr. to Yonge St. be closed, including all intersections except at Hugel Ave, for the entirety of the 2019 construction season.

### **Stakeholder Consultation**

Staff and Council have been aware throughout the planning and consultation stages of this Project that there will be significant disruption to both business and tourism events and activities when construction occurs on King Street. Downtown businesses, tourism agencies and the BIA have been involved in public consultations and on the Steering Committee for the Project. Staff therefore developed the RFP scheduling and pricing options considering both a three year and a two year time frame as a result of that input.

Whichever timing option is eventually selected by Council, there will be impacts to businesses on King Street and to tourism activities. Staff therefore propose that consultations with these groups be undertaken before Council makes a decision to award the RFP to the preferred contractor. The conditions of the RFP require that the contractor hold its bid proposal for 90 days from the closing date and therefore time is of the essence to complete the consultations. Council should note that staff have limited options to negotiate different project schedules with the preferred contractor due to the limitations of the public procurement process.

### **CONCLUSION:**

The evaluation of RFP ENG 2018-15 for the rejuvenation of King Street has resulted in Arnott Construction Limited being selected as the preferred contractor. Consultation with the businesses on King Street and impacted tourism agencies should be completed before Council determines the construction schedule and award of the contract.

## **FINANCIAL IMPACT:**

Arnott Construction Limited has proposed a fee of \$12,083,000 plus GST to complete the rejuvenation of King St. for Option1, being the construction over a three-year period. This price includes \$913,800 in Provisional Items and a Contingency of \$800,000. This price is competitive and provides value in staff's opinion given the results of the RFP process.

Please note that this price does not include the costs for retrofitting Pumping Station No.1 or the sanitary and storm sewer works on Bayshore Dr. to eliminate the wastewater effluent by-passes into the harbour. In addition, the costs for geotechnical services, construction inspection and construction administration by the Town's consultants are also not included in the costs proposed by Arnott Construction. These costs will be presented to Council in a subsequent staff report together with some consideration of a financing package for the final project approval.

Staff propose that the financing requirements and scheduling issues be presented to Council after the consultations with businesses and tourism organizations are completed.

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