



# Corporate Report

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**DATE:** June 18, 2009

**TO:** Mayor and Members of Council  
Meeting Date: June 24, 2009

**FROM:** Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

**SUBJECT:** **Single Source Acquisitions - Architectural, Construction Management and Project Management firms for the Infrastructure Stimulus Funding (ISF) Program**

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- RECOMMEDATION:**
1. That the report dated June 18, 2009 titled Single Source Acquisitions - Architectural, Construction Management and Project Management firms for the Infrastructure Stimulus Funding (ISF) Program from the Commissioner of Corporate Services and Treasurer be received.
  2. That Council approve the following list of firms for single source contract awards for ISF projects managed by Facilities and Property Management, in accordance with the Purchasing By-law 374-06, by reason of Schedule A 1(b)(ii) of the By-law, where the immediate acquisition of the goods and services is essential to avoid serious delays which could impair participation in the ISF Program:
    - CS&P Architects for Civic Square - \$3,517,500.00;
    - ZAS Architects for Burnhamthorpe Library - \$1,141,875.00;
    - MJM Architects for Malton and Clarkson Community Centre Pools - \$882,000.00 each or \$1,764,000.00 total;

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- PCL Constructors for Construction Management at Civic Square, Burnhamthorpe Library, Clarkson Pool Addition and Malton Pool Addition as follows:
    - Civic Square - \$37,695,000.00
    - Burnhamthorpe Library - \$14,438,208.00
    - Clarkson Pool Addition - \$9,108,750.00
    - Malton Pool Addition - \$9,108,750.00
  - MHPM for Project Management Services for Port Credit, Lorne Park and Lakeview Branch Libraries - \$383,250.00.
3. That all necessary by-laws be enacted authorizing the Purchasing Agent to execute the necessary agreements with the Single Source firms.

**BACKGROUND:**

On June 5, 2009, the local Federal and Provincial Ministers approved a list of City projects within the Infrastructure Stimulus Fund (ISF) grant program. The approved list of City projects included various road and park pathway rehabilitation projects, noise walls and sidewalks projects, storm water management pond and city centre transit priority projects as well as a number of facility projects for a total cost of \$138.7 million. The Facilities & Property Management division of Corporate Services will be responsible for project managing \$100.1 million of the approved \$138.7 million funding allotment and this list includes the Civic Square, various libraries (Burnhamthorpe, Lakeview, Lorne Park, Port Credit), two pools (additions to Malton and Clarkson community centres) as well as the implementation of the Park Pathway and lighting program.

The summary of guidelines and criteria included for the ISF grant funding applications require construction to start within 60 days of the start date proposed in the applications submitted otherwise the funding could be cancelled. In addition and more importantly, construction is to be completed by March 31, 2011 or else it may result in cancellation of any further funding and/or repayments of funds received to that point. However, it should be noted that the City indicated on the Malton and Clarkson pool application forms that these two pools would be completed later in 2011 and notwithstanding

this, these two applications were approved.

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As part of the April 28, 2009 Corporate Report for Applications for the Federal Infrastructure Stimulus Funding (ISF), staff indicated that on some projects design and construction services would have to be single sourced and that administrative, consultation and approval processes will need to be fast tracked to ensure the project timelines are not compromised. Furthermore, it was noted that the time frame for public consultation will be far less extensive than the normal City practice.

**COMMENTS:**

The object of the ISF program is to quickly address the need for economic stimulus during a period of significant downturn. To achieve this objective it is imperative that projects be advanced to a construction phase as quickly as possible.

Projects which the City applied for and which were approved were selected carefully to meet program criteria in this regard. A number of these projects had been the subject of significant concept development work which made them "shovel ready". In order to move rapidly and efficiently to the detailed design stage, the consultants involved in the conceptual work were approached to provide fee proposals for design and contract administration services.

Specifically:

- CS&P Architects competitively bid and won the original tender call to prepare the concept plans for the Civic Square project. CS&P have the background, knowledge and expertise to complete the remaining detailed design work and contract administration duties for the remaining phases of the project. The City has negotiated a reasonable fixed fee of \$3,517,500 inclusive of all cash allowances, disbursements and taxes with CS&P Architects to complete this project assignment. Staff recommend that CS&P Architects be retained to provide design and construction administration services for the Civic Square project and a purchase order be issued to CS&P Architects for \$3,517,500. It should also be noted that the City has successfully commissioned CS&P Architects to work on

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the new pavilion building within the new community common park in the downtown City core. Staff is confident that CS&P can provide the necessary architectural services to complete the Civic Square project within the timelines identified in the ISF program.

- ZAS Architects competitively bid and won the original tender call to prepare the feasibility study and concept plans for the Burnhamthorpe Library and Dixie Bloor Neighbourhood Services addition. ZAS have the background knowledge and expertise to complete the remaining detailed design work and contract administration duties for the remaining phases of the project. The City has negotiated a reasonable fixed fee of \$1,141,875 inclusive of all cash allowances, disbursements and taxes from ZAS Architects to complete this project assignment. Staff recommend that ZAS Architects be retained to provide design and construction administration services for the Burnhamthorpe Library project and a purchase order be issued to ZAS Architects for \$1,141,875. It should also be noted that ZAS Architects successfully completed many projects for the City including the Hershey Sports Complex and are currently completing the detailed design work on the Port Credit Arena renovations that will commence construction in Spring 2010. Staff are confident that ZAS can provide the necessary architectural services to complete the Burnhamthorpe Library project within the timelines identified for the ISF program.
- MJM Architects have prepared the concept plans for the pool additions at the Malton and Clarkson community centres and have the knowledge and expertise to complete the remaining detailed design work and contract administration duties for these two buildings. The City has negotiated a reasonable fixed fee of \$882,000 inclusive of all cash allowances, disbursements and taxes from MJM Architects to complete each of the pool assignments. Staff recommend that MJM Architects be retained to provide design and construction administration services and a purchase order be issued to MJM Architects for \$882,000 for each pool building addition. It should also be noted that MJM Architects successfully

completed a part of the Community Facilities Redevelopment program in 2003 and have completed multiple feasibility and program studies for the City within the past five years. Staff are confident that MJM can provide the necessary architectural services to complete the regulatory approvals and still meet the July 15, 2011 completion date for Clarkson pool and December 15, 2011 completion date for the Malton pool as identified on the application forms. *R4d*

On projects where there are severe restrictions on timing and cost, staff have found the construction management approach to be very effective. Past examples of this include the Living Arts Centre, Hershey Centre, Community Facility Redevelopment Program and the Transit Campus Expansion.

The construction manager on all these projects has been PCL Constructors Inc. and they have, in fact, competitively bid and won the most recent contract for the Transit Campus Expansion. PCL's performance on each of these projects has been excellent, providing on time and on budget completion of extremely complex and challenging projects. Processes and systems for dealing with contract management in a manner that integrates with and respects City processes have been honed over the course of this work. In particular, it should be noted that PCL, acting as the City's construction manager will tender all the construction sub-trade work to the construction industry and will follow standard City procurement processes as in the past.

A reasonable fixed construction cost in line with the costs paid to PCL for the Transit Campus Expansion has been received for each building project. Staff recommend that PCL be retained to provide construction management services on the Civic Square, Burnhamthorpe Library and the Malton and Clarkson pool addition projects. A purchase order would be issued to PCL Constructors Inc. for each building project inclusive of all fees, general expenses sub-trade costs, cash allowances, disbursements and taxes as follows:

- Civic Square - \$37,695,000.00 (includes \$3,696,000 for PCL general expenses and fees);

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- Burnhamthorpe Library - \$14,438,208.00 (includes \$1,706,250 for PCL general expenses and fees);
- Clarkson Pool Addition - \$9,108,750.00 (includes \$1,023,750 for PCL general expenses and fees);
- Malton Pool Addition - \$9,108,750.00 (includes \$1,023,750 for PCL general expenses and fees).

Considering the limited project management resources within Facilities & Property Management to manage the existing portfolio of projects as well as many of the ISF funded projects, staff are recommending MHPM Project Managers Inc. be retained to provide project management services for the Port Credit, Lorne Park and Lakeview branch library projects. MHPM have provided project management services for a large number of municipalities within the GTA and surrounding areas and are well known to the City for the expertise they can provide. Staff have also reviewed MHPM project management processes and controls and are confident that their service levels are consistent with ours. The City has negotiated a reasonable fixed fee of \$383,250 inclusive of all disbursements and taxes from MHPM to complete this project assignment. Staff recommend that MHPM be retained to provide full project management services and a purchase order be issued to MHPM for \$383,250. As external project management costs are a claimable ISF project expense, this represents a cost-effective approach to providing the needed project management services.

It should be noted that MHPM acting as the City's project manager will competitively bid the architectural and construction contracts to a minimum of 3 pre-qualified acceptable bidders on the City's behalf and will follow standard City procurement processes. The City will issue purchase orders to the successful architectural firm and contractor to complete the branch library work, in order to maintain an adequate level of control. MHPM has also committed to meet the ISF project timelines including project start dates and the March 31, 2011 completion date.

**FINANCIAL IMPACT:** The costs of the eligible services outlined in this report are included in the approved ISF funding for each project. A separate report from the Commissioner of Corporate Services and Treasurer has been prepared to outline the financial funding sources for the City's contributions. This report is on the same agenda.

**CONCLUSION:** The \$4 billion Infrastructure Stimulus Fund has been made available to municipalities to focus on economic stimulus, to address much needed funding to maintain aging infrastructure and create jobs. The City has identified funding sources for its contribution to the program and staff have completed due diligence preliminary work and outlined comprehensive project plans and schedules to meet the timelines identified by the Federal and Provincial governments.

Based on the strict timelines identified in the application process including the March 31, 2011 completion date, staff have identified a number of vendors that will need to be single sourced if the City is committed to complete the building projects on time and on budget.



Brenda R. Breault, CMA, MBA  
Commissioner of Corporate Services and Treasurer

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