



Staff Report

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Report To:	General Government Committee		
Date of Meeting:	June 6, 2022	Report Number:	FSD-029-22
Submitted By:	Trevor Pinn, Deputy CAO/Treasurer		
Reviewed By:	Mary-Anne Dempster, CAO	Resolution#:	
File Number:	CL2022-16	By-law Number:	
Report Subject:	Newcastle Community Park Construction		

Recommendations:

1. That Report FSD-029-22 and any related delegations or communication items, be received;
 2. That Council accept staff's preferred approach to cancel CL2022-16, and retender the Newcastle Community Park Contract for construction in 2023;
- Or
3. That the bid received from Quality Property Services having the lowest price meeting specification in the amount of \$3,217,520.39 (Net HST Rebate) and subject to a satisfactory reference check be awarded the contract for Newcastle Community Park Construction;
 4. That should Council select recommendation #3, the total funds required for this project is \$3,962,646.79 (Net HST Rebate), which includes the construction cost of \$3,217,520.39 (Net HST Rebate) and other costs including design, material testing, contract administration, permit fees and contingencies in the amount of \$745,126.40 (Net HST Rebate); and that the budget increase in the amount of \$2,387,646.79 (Net HST Rebate) to fund the Newcastle Community Park project be approved from eligible Development Charges Reserve Funds and the Municipal Capital Works Reserve Fund at the discretion of the Treasurer; and
 5. That all interested parties listed in Report FSD-029-22 and any delegations be advised of Council's decision.

Report Overview

For Council to consider the two options presented in the Recommendation which is to cancel CL2022-16 and retender the Newcastle Community Park Contract for construction in 2023 or to award a contract to the low compliant bidder and approve additional funds from the eligible Development Charges Reserve Funds and the Municipal Capital Works Reserve Fund at the discretion of the Treasurer.

1. Background

- 1.1 In 2019, in accordance with the Municipality's Official Plan, Council approved a \$75,000 budget for the design and tendering of Phase 1 of the Newcastle Community Park, located directly southwest of the Diane Hamre Recreation Complex. At that time, the Community Park was envisioned to have two illuminated baseball diamonds, playgrounds, connecting walkways and a shade structure. The MBTW Group was hired as the Landscape Architect and MJS Consultants was hired as the Electrical Consultant for the design of the park. Cambium Inc. was hired to complete a geotechnical investigation for the park property.
- 1.2 Through public consultation in February 2020, the ultimate park programming including illuminated baseball diamonds with connecting paths to a skateboard park, shade structure, and illuminated pickleball and tennis courts was selected. Due to the park property being largely situated in the Wilmot Creek flood plain, within the GRCA regulated limits, and the considerable slope of the existing topography of the site towards Wilmot Creek, filling within the floodplain and grading required to accommodate two level baseball diamonds would not be permitted by the GRCA. Adjustments were made to balance the soil on site by deleting the south ball diamond, shifting a single baseball diamond north while maintaining other park amenities. The current site plan for the Newcastle Community Park is outlined in Figure 1 below.
- 1.3 In 2020, Council approved a \$1,500,000 budget for the construction of Phase 1 of the Newcastle Community Park including illuminated tournament quality sports fields and a skateboard park. The project was funded 90 percent by development charges as it was included in the Municipality's DC study and is considered a growth-related park.

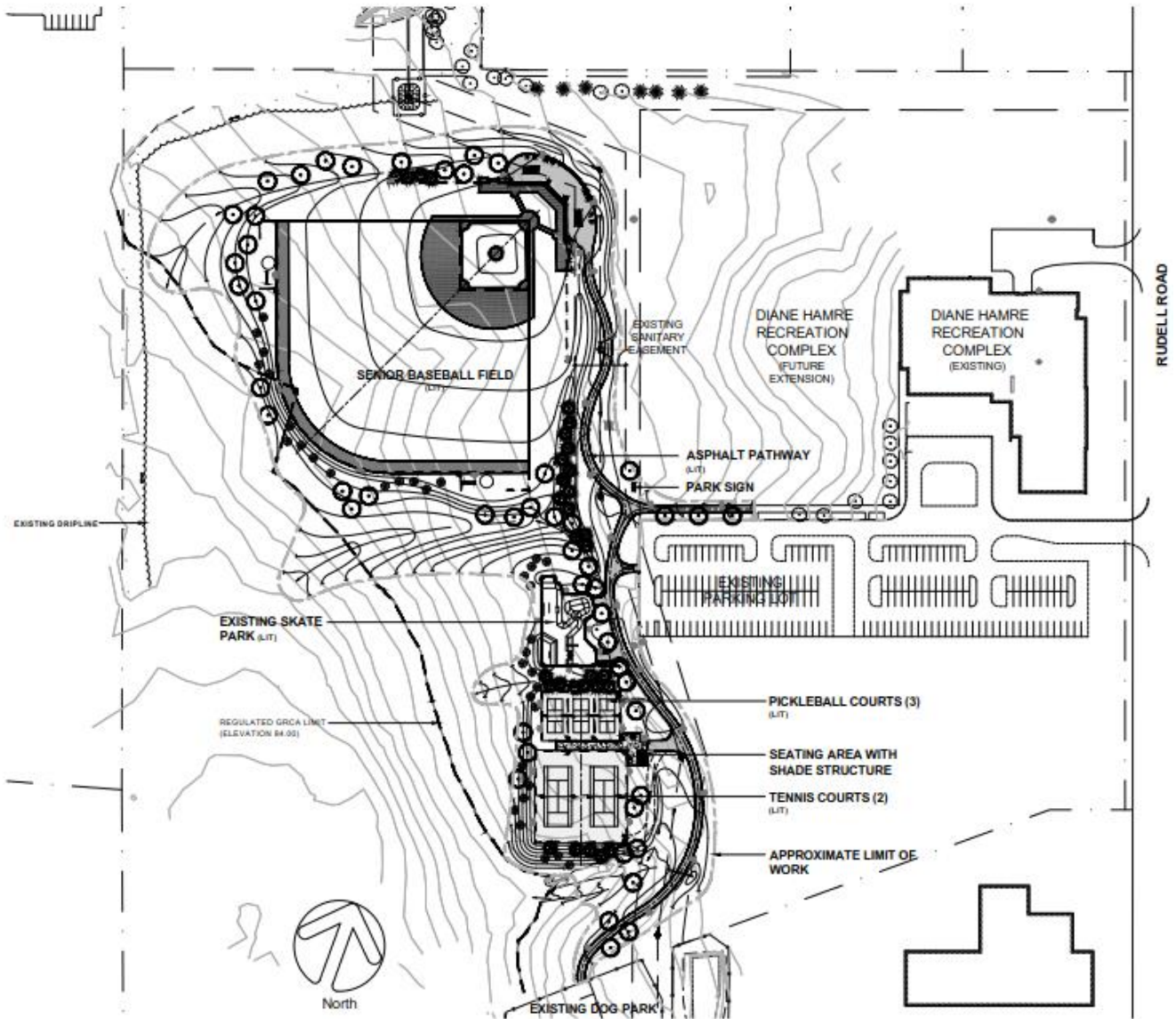


Figure 1: Newcastle Community Park Site Plan

1.4 In May 2020, Public Works completed an Outdoor Recreation Needs Assessment Study (ORNA) to understand and identify the type and number of outdoor recreation facilities that are required in Clarington over the next 15 years. This was completed in response to the significant changes in Clarington's population and trends in outdoor facility use. The ORNA identified Newcastle as underserved in both baseball diamonds (currently only one softball diamond) and tennis courts (currently zero facilities). As part of the ORNA action plan, it was recommended to install baseball diamonds, tennis courts and pickleball facilities at the Newcastle Community Park site.

- 1.5 In October 2020, Transition Construction was hired through RFP2020-6 Design/Build Services for the design and construction of the Newcastle Skate Park. Construction of the skatepark was completed in Fall of 2021 at an approximate value of \$300,000.
- 1.6 Accounting for all the committed costs mentioned above, there is currently \$1,190,000 available for the construction of the remainder of Phase 1.
- 1.7 In April 2022, tender specifications for the Newcastle Community Park Construction was prepared by the Public Works Department and provided to the Purchasing Services Division.
- 1.8 Tender CL2022-16 was issued by the Purchasing Services Division and advertised electronically on the Municipality's website. Notification of the availability of the document was also posted on the Ontario Public Buyer's Association website.

2. Analysis

- 2.1 Twenty-four plan takers downloaded the tender document.
- 2.2 The tender closed on May 27, 2022.
- 2.3 Two compliant bids were received in response to the tender call and one bid was deemed non-compliant.
- 2.4 Of the twenty-one companies that downloaded the tender document but chose not to submit pricing:
 - One company is a construction association;
 - One company is a subcontractor;
 - One company is unable to bid competitively;
 - Three companies cannot handle due to present workload; and
 - Fifteen companies did not provide a response.
- 2.5 The bids were reviewed by the Purchasing Services Division (see Attachment 1). The results were forwarded to the Public Works Department for their review and consideration.
- 2.6 The cost for the Newcastle Community Park Construction significantly exceeds the allocated budget by \$2,387,646.79 (Net HST Rebate) and after review and analysis by

the Public Works Department and the Purchasing Services Division there were a number of factors that attributed to this.

- 2.7 As mentioned in Section 1 of this report, the scope and programming envisioned for the Newcastle Community Park has changed multiple times over the last several years, resulting in the current program which includes illuminated baseball, pickleball and tennis facilities along with a skateboard park, site furnishings, plantings, and pathways. It is Public Works' opinion that the existing budget was not adequately updated to match the final scope and programming, following public consultation on the needs of the community that is currently included in this Contract.
- 2.8 Based on the lack of finalized programming information that Public Works staff had at the time of the original budget request, it would be difficult to envision and accurately estimate the expenses related to some of the costly items. These items include earthworks (3.7 times the original estimated cost) and illumination (1.7 times the original estimated cost).
- 2.9 The construction industry is currently experiencing drastic inflation in all sectors due to material and labour shortages, supply chain issues, international volatile market conditions and most importantly, the severe increase in the price of oil. Public Works has been experiencing this inflation in all aspects of municipal infrastructure projects. In speaking with other local area Municipalities, 20-40% increases are being experienced on construction projects across the Region of Durham.
- 2.10 After this review and analysis by the Public Works Department and the Purchasing Services Division, staff has outlined their preferred approach to cancel CL2022-16 and retender the Newcastle Community Park Contract for construction in 2023. Council also has the option to award the contract to the low compliant bidder, Quality Property Services as outlined in this report. Quality Property Services has completed work for the Municipality of Clarington in the past but the recommendation would be to complete a reference check as the previous work was of a lower value than what is being recommended for an award of contract.

3. Financial

- 3.1 The cost of the Newcastle Community Park Construction exceeds the allocated budget by \$2,387,64.79.
- 3.2 The Newcastle Community Park was included in the 2020 Development Background Study as 100% DC eligible for a total value of \$1,200,000. Additional funding of \$300,000 was added with a 90/10 split between DC and Tax Levy to fund the addition of a skateboard park.

- 3.3 Accounting for all the committed costs mentioned in Section 1, there is currently \$1,190,000 available for the construction of the remainder of Phase 1.
- 3.4 It is recommended that estimated additional funds required for the completion of this project be provided from eligible Development Charges Reserve Funds and the Municipal Capital Works Reserve Fund at the discretion of the Treasurer.
- 3.5 The total funds required for this project is \$3,962,646.79 (Net HST Rebate), which includes the construction cost of \$3,217,520.39 (Net HST Rebate) and other costs including design, material testing, contract administration, permit fees and contingencies in the amount of \$745,126.40 (Net HST Rebate).
- 3.6 Queries with respect to department needs should be referred to the Director of Public Works.

4. Concurrence

This report has been reviewed by the Director of Public Works who concurs with the recommendations.

5. Conclusion

It is respectfully recommended as noted in Recommendation #2, it is staff's preferred approach that Tender CL2022-16 be cancelled and reissued in 2023. The other option in Recommendation #3 is to proceed with the award of contract to Quality Property Services being the lowest compliant bidder meeting the terms and conditions of Tender CL2022-16. Should Council approve Recommendation #3, additional funds will be required as the low bid received is substantially over budget.

Staff Contact: David Ferguson, Purchasing Manager, (905) 623-3379 x2209 or dferguson@clarington.net.

Attachments:

Attachment 1 – Summary of Bid Results

Interested Parties:

List of Interested Parties available from Department.

Municipality of Clarington

Summary of Bid Results

Tender CL2022-16

Newcastle Community Park Construction

Bidder	Total Bid (Including HST)	Total Bid (Net HST Rebate)
Quality Property Services	\$ 3,572,914.74	\$ 3,217,520.39
Pine Valley Corporation	3,903,265.21	3,515,011.22