



City of  
**Peterborough**

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**To: Members of the General Committee**

**From: Richard Freymond, Commissioner of Corporate and Legislative Services**

**Meeting Date: November 8, 2021**

**Subject: Award of ITT-30-21 Demolition and Construction of the Beavermead Campground Gatehouse Building Report CLSFPI21-003**

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## **Purpose**

A Report to award ITT-30-21 Demolition and Construction of the Beavermead Campground Gatehouse Building.

## **Recommendations**

That Council approve the recommendations outlined in Report CLSFPI21-003, dated November 8, 2021, of the Commissioner of Corporate and Legislative Services, as follows:

- a) That the Beavermead Campground Gatehouse Replacement Capital Budget be increased by \$165,400 from \$544,000 to \$709,400 and the additional \$165,400 amount be financed by transferring \$70,000 from the Municipal Accommodation Tax Reserve and \$95,400 from the Capital Levy Reserve; and
- b) That the Demolition and Construction of the Beavermead Gatehouse be awarded to Mortlock Construction Inc, 1970 Brown Line, Peterborough, Ontario, K9J 6Z6, at a cost of \$576,000 plus HST of \$74,958 and an additional \$25,000 Contingency Allowance for a total of \$676,558.

## Budget and Financial Implications

The total project costs, net of HST, including contingency allowance, are as follows:

Line	Description	Amount
1	ITT-30-21 Demolition and Construction of the Beavermead Campground Gatehouse Base Bid	\$576,600
2	ITT-30-21 Demolition and Construction of the Beavermead Campground Gatehouse Contingency Allowance	\$25,000
3	Consulting Fees	\$57,800
4	Miscellaneous Costs – Survey, Permits, Testing and Inspection	\$50,000
<b>5</b>	<b>Total</b>	<b>\$709,400</b>

Contingency Allowance, indicated in Line 2 above, is included to provide for testing & inspections and for unforeseen costs associated with additional work scope required to complete the project.

Funding for ITT-30-21 Demolition and Construction of the Beavermead Campground Gatehouse Building project will come from the following sources:

Line	Description	Allocation of Project Budget
1	Report CLSFS21-008 Additional 2021 Capital Financing	\$ 500,000
2	2019 Capital Budget Project #6-7.01 Beavermead Campground Park Implementation	\$ 44,000
3	Transfer from Municipal Accommodation Tax Reserve	\$ 70,000
4	Transfer from Capital Levy Reserve	\$ 95,400
<b>5</b>	<b>Total Project Budget</b>	<b>\$709,400</b>

The net \$601,600 requirement, after applicable HST rebates, in recommendation b) can be accommodated within the amended budget of \$709,400. With the proposed transfer in recommendation a) the amount remaining in the Municipal Accommodation Tax Reserve will be fully committed.

## Background

Through Report CLSFS21-008 dated March 8, 2021 Council approved a budget of \$500,000 for the Beavermead Campground Entry Pavillion (Gatehouse) to proceed in 2021.

The Beavermead Gatehouse is the third phase of the Beavermead Campground Park Implementation Capital Project (Budget Reference 6-5.03). This project is part of a series of improvements and upgrades at the campground approved through Council Report CSD12-001 dated January 23, 2012 outlining the Cost Benefit Analysis and Strategy Plan to enable a viable campground operation. Improvements are being implemented in phases as a condition of the operating agreement currently in place with Otonabee Region Conservation Authority (ORCA).

## Bid Solicitation

ITT-30-21 for the Demolition and Construction of the Beavermead Gatehouse was prepared by City staff, issued on September 9, 2021, and closed on October 7, 2021. The 5 submissions are summarized in Chart 1 and include HST and a Contingency allowance of \$25,000. The Project Manager of Facilities and Planning Initiatives and Lett Architect Inc reviewed the Tenders.

## Chart 1

### ITT-31-21 Summary Chart

Firm Name	Firm Address	Bid (Including HST)
Mortlock Construction Inc.	Peterborough, Ontario	\$676,558.00
W.S. Morgan Construction Limited	Parry Sound, Ontario	\$770,461.00
2274084 ONTARIO LTD o/a GMP CONTRACTING	Markham, Ontario	\$806,686.77
J.J. McGuire General Contractors Inc.	Oshawa, Ontario	\$905,270.00
Gerr Construction Limited	Bowmanville, Ontario	\$951,600.00

All bids received exceeded the estimated construction budget of \$452,000, including HST. On review, it has not been uncommon to see major cost increases such as this due to labour shortages and supply chain management issues. Many projects are seeing substantial increases in cost due to the impact of the Covid-19 pandemic.

Stats Canada is reporting for 2021 higher construction costs overall, mostly attributable to a shortage of construction materials. The demand for materials has continued to be

high as building materials and supplies sold by wholesalers were up 19.1% year over year in February 2021. The forecasting for 2022 currently is anticipating continued escalation and pricing premiums. According to ConstructConnect, Canadian construction starts are expected to climb by 11.5% in 2021 and continue until 2025.

Based on this information staff are recommending proceeding with the project as a redesign or retendering at a later date would still have budget alignment issues.

The work to the Beavermead Gatehouse needs to occur during the 'off season' so that it does not adversely impact the operation of the campground season which operates Mid May to Mid October annually.

### **Recommended Bidder**

It is recommended that based on the Tender submissions and evaluation, ITT-30-21 for the Demolition and Construction of the Beavermead Gatehouse be awarded to Mortlock Construction Inc, 1970 Brown Line, Peterborough, Ontario, K9J 6Z6.

This firm has successfully completed a variety of projects for the City of Peterborough.

### **Council Approval Required**

Under Part 7, Section 7.4 d. of the Procurement By-law 18-084, Council must approve an Award, where the contract value cannot be accommodated within an approved budget and therefore requires a budget transfer or a pre-commitment against a future years' budget.

### **Timelines**

If the recommendation is approved, a CCDC2 Contract will be prepared and signed by the CAO and Clerk, under their delegated authority to do so, the contracted work will commence immediately and be completed by May 2022.

Submitted by,

Richard Freymond  
Commissioner of Corporate and Legislative Services

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