
REPORT TITLE: Request for Additional Funds and Award of Contract for Capital Remediation Projects at the Davis Centre Long Term Care Home

FROM: Nancy Polsinelli, Commissioner of Health Services

RECOMMENDATION

- 1. That the Contract (Document 2023-110T) for the Facility Wide Upgrades and Repairs at Davis Centre Long Term Care Facility, Bolton, Projects 22102, 22103 and 185449, be awarded to Newgen Construction Corporation in the amount of \$3,748,000.00 (excluding applicable taxes), pursuant to Procurement By-law 30-2018, as amended; and**
- 2. That the Capital Budget for the Capital Remediation Projects at the Vera M. Davis Long Term Care Home be increased by \$1,662,000 funded from tax-supported capital reserves be approved, in order to proceed with the award of this contract and construction in 2023.**

REPORT HIGHLIGHTS

- The Capital budgets were approved as a part of the 2018-2023 budget processes. Project implementation was delayed for various factors including the COVID pandemic.
 - In March 2023, following detailed design and prequalification of contractors, a Request for Tender was issued to retain a contractor to complete the Facility Wide Upgrades and Repairs at Davis Centre Long Term Care Home, which resulted in four bids ranging from \$2,812,122 to \$4,326,000.
 - A thorough review of all submissions was undertaken by Peel staff and the project consultant Moon-Matz Ltd., with the determination that the submission from the lowest bid vendor not be considered for award of the contract due to the bid being deemed unbalanced.
 - The Peel Region's procurement documents reserve the right for the Region to reject any bid that is deemed to be "unbalanced" and not representative of the actual cost of completing the work.
 - Staff is recommending award of the contract to the second lowest compliant submission by Newgen Construction Corporation.
 - As a result of increased construction costs, escalations and market uncertainty, the current project budget is insufficient to award the work.
 - In accordance with Procurement By-law 30-2018, as amended, where the award of a contract to the low bidder is deemed inappropriate or not in the best interest of the Region, and/or where the cost to award to the Best Value Bid exceeds the approved budget allocation, award of the contract requires Regional Council approval.
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DISCUSSION

1. Background

Upgrades and repairs are required at Vera M. Davis Long-Term Care Home and include the following:

- Facility envelope upgrades including exterior walls, doors, windows, roof;
- Interior accessibility upgrades including sectional handrail repairs, resident suite door improvement, Butterfly program space enhancements;
- Climate change initiative – complete building LED lighting retrofit; and
- Safety and Security upgrades including fire and life safety systems, access control installation.

Due to the nature of this facility, these repairs and upgrades are required, the fire and life safety system is required to comply with fire code.

The budgets in amount of \$2,086,000 were approved as a part of the 2018-2023 budget processes. Project implementation was delayed for various factors including the COVID-19 Pandemic.

2. Procurement Process

Due to the technical complexity of the work required, a Request for Prequalification Document 2022-525PQ was issued prior to this tender process in order to shortlist only those vendors with the required experience and qualifications.

Request for Tender (Document 2023-110T) for Facility Wide Upgrades and Repairs at Davis Centre Long Term Care Facility, Bolton, Projects 22102, 22103 and 185449 was issued on Friday, February 24, 2023, and closed on Wednesday, March 5, 2023. There were four bid submissions as summarized below.

All bids for this Request for Tender have come in over the available budget for this project.

Bidder	Submitted Bid Amount
Chart Construction Management Inc.	\$2,812,122.00
Newgen Construction Corporation	\$3,748,000.00
BDA Inc.	\$3,805,564.00
Maracon Construction Limited	\$4,326,000.00

Peel's procurement documents reserve the right for the Region to reject any and all Bidder Submissions, which it deems to be unbalanced. An "unbalanced" bid shall include, without limitation, a Bidder Submission which does not reflect a realistic breakdown of the costs of each or any portion of the work.

In reviewing the bids, it was noted that the lowest cost bid submitted by Chart Construction Management Inc. (Chart) is \$935,878.00 less than the next lowest bid and represents an \$860,799.50 difference from the average bid price for this tender. After the tender closing, Chart confirmed that their bid did not account for major components of the work, including

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sufficient resources for labour, and costs associated with the necessary insurance and bonding requirements to complete the project.

Based on the above, and the project risks associated with Chart's bid, award of this contract (Document 2023-110T) to Chart Construction Management Inc. is not recommended as it is deemed to be unbalanced and not in the best interest of the Region.

As such, staff recommend that Newgen Construction Corporation be awarded the contract in the estimated amount of \$3,748,000.00 (excluding applicable taxes), having submitted the next lowest compliant, and Best Value Bid for this tender. Newgen Construction Corporation was included on the prequalified list for this project based on their qualifications and previous experience completing work of similar size and scope.

In accordance Procurement By-law 30-2018, as amended, Regional Council approval is required when for any reason, the award of a contract to the low bidder is deemed inappropriate or not in the best interest of the Region (an "Irregular Result"). Additionally, where the cost to award to the Best Value Bid exceeds the approved budget allocation, award of the contract requires Regional Council approval.

RISK CONSIDERATIONS

Staff have reviewed the scope of work within this project and are in agreement that this work is required in order to maintain the level of service for the residents of the Centre and continue meeting the Ministry of Long-Term Care requirements. As well as bringing the safety components of this facility up to code.

Should the project not proceed to construction in 2023, the building components would be at risk of potential failures and would result in the need to undertake additional inspection and maintenance activities until such time that the work can take place.

FINANCIAL IMPLICATIONS

An approved budget in the amount of \$2,086,000 is available for the project. A further amount of \$1,662,000 is required to be funded from Peel's tax-supported capital reserves, in order to proceed with the project and tender award, and facility wide upgrades and repairs at Davis Centre Long Term Care home in 2023. This amount will address the additional post-COVID increases in construction cost, escalations and market uncertainty to complete this project.



Nancy Polsinelli, Commissioner of Health Services

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