

**From:** Brian Duffield  
(Acting) Director, Community Services

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**Subject:** Tender for Chestnut Hill Developments Recreation Complex – Lobby & Core Area Renovations – Construction

- Tender No. T2020-16
- File: A-1440

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**Recommendation:**

1. That Tender No. T2020-16 submitted by 1568796 Ontario Inc., O/A Renokrew in the amount of \$5,587,299.13 (HST included) be accepted;
  2. That the total gross project cost of \$6,257,776.00 (HST included), including the amount of the tender, contingency, and other associated costs, and the total net project cost of \$5,635,321.00 (net of HST rebate), be approved;
  3. That Council authorize the Director, Finance & Treasurer to finance the net project cost of \$5,635,321.00 as follows:
    - a) the sum of \$6,000,000.00 as provided for in the 2020 Recreation Complex-Core Capital Budget be revised to \$5,600,000.00, and be financed by the issue of debentures by The Regional Municipality of Durham over a period not to exceed 20 years;
    - b) the balance sum of \$35,321.00 to be funded by a transfer from the Rate Stabilization Reserve;
    - c) the annual repayment charges in the approximate amount of \$395,000.00 be provided for in the annual Current Budget commencing in 2021 or subsequent year in which the debentures are issued and continuing thereafter until the debenture financing is repaid; and,
    - d) the Treasurer be authorized to make any changes, adjustments, and revisions to amounts, terms, conditions, or take any actions necessary in order to effect the foregoing;
  4. That the draft By-law attached to this report be enacted; and,
  5. That the appropriate City of Pickering officials be authorized to take the necessary actions as indicated in this report.
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**Executive Summary:** The Chestnut Hill Developments Recreation Complex (CHDRC) originally opened its doors in 1983. Thirty-seven years later, many of the building's components,

systems and key amenities are aging and in need of a substantial retrofit. Recreation facility design and regulatory requirements have changed substantially since this facility was opened and this project will, where possible, address user expectations for a functional and inviting facility. Notable changes include accessibility requirements in the building code and regulations made under the *Accessibility for Ontarians with Disabilities Act*, and more recent changes in universal design to address the requirements of Human Rights legislation. None of these requirements were in effect when the facility was constructed.

Tender No. T2020-16 was issued by the City of Pickering (City) on September 30, 2020 and closed on November 4, 2020 based on design work started in 2018 and incorporated comments from extensive stakeholder consultation. The scope of the project includes a complete gut renovation of the existing male and female change rooms for both members and non-members, extension of the second floor exercise area and related improvements, upgrades to existing finishes throughout the ground floor of the lobby and concourse and consolidation of existing service counters into a single point of service. Additional related work such as lifecycle water main replacements and upgrades to building life safety systems have been incorporated for efficiency. The work has been sequenced in phases to reduce disruptions to ongoing operations. Allowances have been included in the tender for the completion of particularly disruptive activities outside of normal operating hours.

Five potential bidders were pre-qualified for RFPQ-5-2019, of which four submitted bids for this tender. Subject to receipt and approval of all submittals required by the tender documents, the low bid submitted by 1568796 Ontario Inc., O/A Renokrew in the amount of \$5,587,299.13 (HST included) is recommended for approval. Total gross project cost is estimated to be \$6,257,776.00 and the total net project cost is estimated at \$5,635,321.00 (net of HST rebate).

### Financial Implications:

#### 1. Tender Amount

Tender No. T2020-16	\$4,944,512.50
HST (13%)	<u>642,786.63</u>
<b>Total Gross Tender Cost</b>	<b><u>\$5,587,299.13</u></b>

#### 2. Estimated Project Costing Summary

Tender No. T2020-16	\$4,944,513.00
Construction Contingency (12%)	<u>593,342.00</u>
Total Project Cost	\$5,537,855.00
HST (13%)	<u>719,921.00</u>
<b>Total Gross Project Costs</b>	<b><u>\$6,257,776.00</u></b>
HST Rebate (11.24%)	<u>(622,455.00)</u>
<b>Total Net Project Cost</b>	<b><u>\$5,635,321.00</u></b>

**3. Approved Source of Funds**

Description	Account Code	Source of Funds	Budget	Required
CHDRC - Lobby & Core Area Renovations – Construction	5731.2014.6500	Debt – 20 years	\$6,000,000.00	\$5,600,000.00
		Rate Stabilization Reserve	<u>0.00</u>	<u>35,321.00</u>
<b>Total Funds</b>			<b><u>\$6,000,000.00</u></b>	<b><u>\$5,635,321.00</u></b>

Project Cost under (over) approved funds by	\$364,679.00
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The City’s Financial Control Policy provides that a capital project contingency guideline be established at 12 per cent. Providing for a contingency that is above the 12 per cent would attract costs such as debt servicing and debt issuance.

The CHDRC was opened in the mid 1980’s and therefore, the building is approximately 35 years old. There is the risk that during renovations, unanticipated costs may incur due to the age of the building associated with possible concealed conditions. As stated above, a contingency of 12 per cent or \$593,342.00 is being provided to address unanticipated renovation costs. However, to address possible higher unforeseen renovation costs, the 2021 Capital Budget will include a provision of \$200,000.00 financed as an internal loan. If required, the final internal loan borrowed amount will be based on what was spent and not a budget amount resulting in possible savings for the taxpayer. Therefore staff are recommending a two stage contingency strategy with the first dollar level at \$593,342.00 and the second stage at \$200,000.00.

**Discussion:** Originally designed and constructed in the early 1980s, CHDRC has undergone a series of superficial face lifts to its core public areas and amenities over the last three decades. It has never undergone a full renovation, which would normally be expected to occur in the 25-30 year range, as many major building systems and components have reached end of life. The main core area of the CHDRC is overdue for such a renovation.

Accessibility compliance deficiencies were identified in the construction of existing service counters in 2014. Additional overlapping and related deficiencies and lifecycle replacements were identified in the surrounding areas of the building while exploring how best to remedy the situation. A consolidated solution was deemed the most cost effective and timely approach to addressing as many of the emerging needs as possible, rather than a lengthy and expensive string of minor repairs that might prove insufficient to address underlying issues. Design consultants were retained in late 2018 and proposed solutions were presented for discussion with direct stakeholder groups and at two public open houses in January 2019.

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As a result, Tender No. T2020-16 came to incorporate the following work:

- Consolidation and replacement of existing service counters and staff areas into a single point of service compliant with all current accessibility regulations;
- Expansion of the second floor exercise area to the edge of the windows overlooking the pool, including improved separation of the space from the rest of the building and a new dedicated HVAC system;
- Gut renovation of the male and female public change rooms, and the male and female members change room, to create a new universal public change room and two separate, gender-specific members change rooms;
- Improvements to security and access controls between the public and paid-access areas, and throughout the work area;
- Improvements to life safety systems to upgrade existing fire separations to current code requirements;
- Replacement of existing domestic and fire service water mains from the property's edge into the building; and,
- Complete replacement of the floor finish in the main concourse and creation of a new feature wall and multi-purpose social space in the main lobby.

Consolidation of related project needs has two major benefits: disruptions to ongoing operations will be minimized and improved overall cost efficiency. Staff have consulted with major stakeholders to develop tentative phasing of the work, and will work with the contractor to ensure that this remains a priority.

Upon completion, a single, accessible service counter will be located where the current main reception desk is situated. It will be best positioned for visibility by patrons, and to monitor traffic and activity throughout the concourse. Booking and registration staff will move to new workstations in the same area. Digital display screens will be mounted throughout the lobby and concourse to offer improved communication of programming, events and other information to the public. The large feature wall will be equipped with display screens suitable for hosting major events, such as major league playoff viewing parties. This feature area will also support banquet hall operations by providing the option to extend such events into the lobby. The City has previously had to rent equipment to host such activities.

Access controls are being changed from the current triple-pronged turnstiles to man-gate type units more commonly seen in newer transit stations. The new system will better control traffic flow between the lobby and paid areas, reducing challenges for small children, parents with strollers and individuals carrying bags. A glass separation will be introduced between the two corridors to prevent the passage of goods, such as bags and access cards, which has been problematic in the past. Upgraded security camera surveillance in public areas is included in the scope of work. The public change rooms will be combined into a single universal change room and linked with the existing family change room to create a new single suite. All changing will occur in private change cubicles with zero-sightline partitions to ensure privacy for all patrons. Several universal washrooms will be included in the suite, which is intended for use by all patrons, regardless of age or gender and will meet all current accessibility regulations.

Two new members change rooms will also be created, sharing access to a new accessible-entry whirlpool, steam and dry saunas. Space constraints made it impossible to provide these amenities in each suite. They will be located in a common access area visible from the pool deck to ensure the visibility and safety of patrons. The common amenity space will remain limited to use by members only.

Other work included relates primarily to age-related lifecycle replacements and upgrades needed to bring the core areas of the complex up to current standards, to the extent possible working with the constraints of the existing space.

Request for Prequalification RFPQ-5-2019 was publically released for the Prequalification of General Contractors for the Main Entrance and Core Area Renovations at the then-named Pickering Recreation Complex. The facility has since been renamed as the Chestnut Hill Developments Recreation Complex. Based on the results of the evaluation rated criteria, five General Contractors were successfully prequalified by the City to submit bids for consideration.

Tender No. T2020-16 was released to the prequalified General Contractors and was also made available for information to the public on the City's website on September 30, 2020. An optional site visit was held on October 10, 2020, and a second visit was made available on October 27, 2020. The tender closed on November 4, 2020. Four companies submitted bids for this project.

The low bidder, 1568796 Ontario Inc., O/A Renokrew, has submitted a signed copy of the City's Health & Safety Regulation form. The Certificate of Insurance is deemed acceptable to the Manager, Budgets & Internal Audit. Community Services staff have reviewed the proposed waste management plan and site safety plan, including proposed COVID-19 precautions, and deemed them acceptable. Staff checked references as part of the pre-qualifications and have been deemed acceptable.

Upon careful examination of all bids and approval of all relevant documents received, the Community Services Department recommends the acceptance of Tender No. T2020-16 submitted by 1568796 Ontario Inc., O/A Renokrew in the amount of \$5,587,299.13 (HST included) and that the total net project cost of \$5,635,321.00 (net HST rebate) be approved.

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**Attachments:**

1. Supply & Services Memorandum dated November 5, 2020 (Revision 1)
  2. Being a By-law to authorize the Chestnut Hill Developments Recreation Complex – Lobby & Core Area Renovations – Construction project and the issuance of debentures in the amount of \$5,600,000.00.
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**Prepared By:**



Vince Plouffe  
Manager, Facilities Capital Projects

**Approved/Endorsed By:**



Brian Duffield  
(Acting) Director, Community Services



Ray Rodrigues, CPPB  
Manager, Supply & Services



Stan Karwowski, MBA, CPA, CMA  
Director, Finance & Treasurer

BD:vp

Recommended for the consideration  
of Pickering City Council



Marisa Carpino, M.A.  
Interim Chief Administrative Officer



# Memo

To: Brian Duffield  
Director, Community Services

November 5, 2020

From: Justin MacDonald  
(Acting) Senior Purchasing Analyst, Supply & Services

Copy: Administrative Assistant, Community Services  
Manager, Facilities Capital Projects  
Manager, Supply & Services

Subject: Tender No. T2020-16  
Tender for Main Entrance and Core Area Renovations Chestnut Hill Developments  
Recreation Complex  
Closed: Wednesday, November 4, 2020 – 2:00pm  
File: F-5400-001

Tender No. T2020-16 was advertised on the City's website on Wednesday, September 30, 2020. Four companies have submitted a bid for this project.

A copy of the Record of Tenders Opened and Checked used at the public tender opening is attached. Tenders shall be **irrevocable for 60 days** after the official closing date and time.

Purchasing Procedure No. PUR 010-001, Item 13.03 (r) provides checking tendered unit prices and extensions unit prices shall govern and extensions will be corrected accordingly, which has been completed below.

The unsuccessful Bidder's tendering deposit, other than a bid bond, shall be returned to the applicable bidders as provided for by Purchasing Procedure No. PUR 010-001, Item 13.03 (w).

### Summary

#### Harmonized Sales Tax Included

Bidder	Total Tendered Amount	After Calculation Check
1568796 Ontario Inc., O/A RENOKREW	\$5,587,299.13	\$5,587,299.13
ROSSCLAIR Contractors Inc.	\$6,409,021.00	\$6,409,021.00
Rutherford Contracting Ltd.	\$6,572,295.83	\$6,572,295.83
J.J. McGuire General Contractors	\$7,717,900.00	\$7,717,900.00

Pursuant to Information to Bidders Item 29 **Pre-Condition of Award** and Item 20 **Tendering Specifications**, the following documentation will be requested of 1568796 Ontario Inc., O/A

RENOKREW for your review during the evaluation stage of this tender call. Please advise if Supply & Services is to proceed with collecting the following documentation:

- (a) A copy of the currently dated and signed Health and Safety Policy to be used on this project;
- (b) A copy of the current Clearance Certificate issued by Workplace Safety & Insurance Board;
- (c) The City's certificate of insurance or approved alternative form shall be completed by the Bidder's agent, broker or insurer;
- (d) A Waste Management Plan;
- (e) Covid-19 construction and site safety plan; and
- (f) Such further information, as the City may request in writing.

A budget of \$6,000,000.00 was provided to Supply & Services for this procurement.

In accordance with Purchasing Policy Item 06.04, the authority for the dollar limit as set out below excludes HST.

As such, in accordance with Purchasing Policy Item 06.11, where the compliant quotation or tender meeting specifications and offering best value to the City is acceptable or where the highest scoring proposal is recommended and the estimated total purchase price is:

- (c) Over \$250,000, the Manager may approve the award, subject to the approval of the Director, Treasurer, CAO and Council.

Please include the following items in your report:

1. if Items (a) through (b) noted above are acceptable to the Co-ordinator, Health & Safety or designate, if required;
2. if Item (c) is acceptable to the Manager, Budgets & Internal Audit;
3. if the list of subcontractors is acceptable to Community Services;
4. if Items (d) and (e) are acceptable to Community Services;
5. any past work experience with low bidder 1568796 Ontario Inc., O/A RENOKREW including work location;
6. without past work experience, if reference information is acceptable to Community Services;
7. the appropriate account number(s) to which this work is to be charged;
8. the budget amount(s) assigned thereto;
9. Treasurer's confirmation of funding;
10. related departmental approvals; and
11. related comments specific to the project.

After receiving Council's approval, an approved "on-line" requisition will be required to proceed.



Enquiries can be directed to the City's website for the unofficial bid results as read out at the public tender opening or to Supply & Services. Bidders will be advised of the outcome in due course.

If you require further information, please feel free to contact me or a member of Supply & Services.

JM  
Attachments (2)

The Corporation of the City of Pickering

By-law No.

Being a by-law to authorize Chestnut Hill Developments Recreation Complex – Lobby & Core Area Renovations – Construction project in the City of Pickering and the issuance of debentures in the amount of \$5,600,000.00

Whereas Section 11 of the *Municipal Act, 2001*, as amended, provides that a lower-tier municipality may pass by-laws respecting matters within the spheres of jurisdiction described in that Section; and,

Whereas Subsection 401(1) of the *Municipal Act, 2001*, as amended, provides that a municipality may incur a debt for municipal purposes, whether by borrowing money or in any other way; and,

Whereas Subsection 401(3) of the *Municipal Act, 2001*, as amended, provides that a lower-tier municipality in a regional municipality does not have the power to issue debentures; and,

Whereas The Regional Municipality of Durham has the sole authority to issue debentures for the purposes of its lower-tier municipalities including The Corporation of the City of Pickering (the “City”); and,

Whereas the Council of the City wishes to proceed with debenture financing for the Chestnut Hill Developments Recreation Complex – Lobby & Core Area Renovations – Construction project; and,

Whereas before authorizing renovation and construction in respect of the Chestnut Hill Development Recreation Complex – Lobby & Core Area Renovations – Construction project in the City of Pickering, the Council of the City had the Treasurer update the City’s Annual Repayment Limit, the Treasurer calculated the estimated annual amount payable in respect of such project and determined that such annual amount would not cause the City to exceed the updated limit and therefore, the Local Planning Appeal Tribunal approval is not required as per Section 401 of the *Municipal Act, 2001*, as amended, and the regulations made thereunder; and,

And whereas after determining that the Local Planning Appeal Tribunal approval is not required, the Council of the City approved report CS 02-20 on the date hereof and awarded Tender No. T2020-16 for the Chestnut Hill Developments Recreation Complex – Lobby & Core Area Renovations – Construction project in the City of Pickering;

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Now therefore the Council of The Corporation of the City of Pickering hereby enacts as follows:

1. That the City proceed with the project referred to as “Chestnut Hill Developments Recreation Complex – Lobby & Core Area Renovations – Construction”;
2. That the estimated costs of the project in the amount of \$5,635,321.00 be financed as follows:
  - a) That the sum of \$5,600,000.00 be financed by the issue of debentures by The Regional Municipality of Durham over a period not to exceed 20 years;
  - b) That the sum of \$35,321.00 be funded by a transfer from the Rate Stabilization Reserve; and,
3. That the funds to repay the principal and interest of the debentures be provided for in the annual Current Budget for the City commencing in 2021 or such subsequent year in which the debentures are issued and continuing thereafter until the debenture financing is repaid.

By-law passed this 14<sup>th</sup> day of December, 2020

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David Ryan, Mayor

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Susan Cassel, City Clerk