

**MEETING DATE:** October 19, 2005

**SUBJECT:** Procurement Authorization - Hillcrest Yard (a) NEW EMPLOYEE PARKING LOT  
CONTRACT P10-1; AND b) MAINTENANCE OF LOT

## **RECOMMENDATION**

It is recommended that the Commission:

- a) Authorize the acceptance of the tender submitted by NEI Construction Corp. (NEI) and award of a contract in the amount of \$379,000 which includes Specified Option No. 1 for a 99-space gravel surface parking lot, for Contract P10-1, Hillcrest Yard - New Employee Parking Lot; and
- b) Approve the issuance of a purchase order to Car Park Management Services Limited (Car Park) in the total upset limit of \$200,000 for the operation and maintenance of the Commission's Hillcrest employee parking lot for a five-year term commencing upon the completion of the lot.

## **FUNDING**

Sufficient funds are included for this expenditure in Project 3.3 On-Grade Paving Rehabilitation Program of the TTC 2005-2009 Capital Program, which was approved by City Council on February 23, 2005.

Sufficient funds are included in the 2006 Operating Budget and will be included in future Operating Budgets for all of the operating components of the employee parking lot.

## **BACKGROUND**

At its meeting of May 12, 2004, the Commission approved the following with respect to a Hillcrest employee parking lot on Hydro lands:

Vice-Chair Mihevc moved that the Commission proceed with Option 1, as listed below, and that the Chief General Manager be requested to find the \$75,000 shortfall from under-expenditures in the budget:

- 132-space gravel lot, moderate lighting;
- Space in the lot would not be reserved and would be on a first come first served basis with a pay and display machine for payment of the daily fee;
- Capital cost of \$440,000;
- Assumes a \$5.00 daily rate; and
- \$75,000 up front contribution from a third party makes the lot break even in 7 years.

The purpose of this lot is to reduce on-street parking in the Wychwood Park neighbourhood. However, during detailed design, only 99 spaces could be accommodated in the former Pole Yard.

## **DISCUSSION**

### **PART 1: CONSTRUCTION CONTRACT**

Contract P10-1, Hillcrest Yard - New Employee Parking Lot, provides for the construction of a 99 employee space asphalt surface parking lot in the former pole yard, within the Hydro corridor south of TTC's Hillcrest Yard.

In addition to the tendered prices to be submitted, all tenderers were requested to submit Specified Optional Pricing as follows:

- Item 1, option for the provision of a gravel surface lot in lieu of asphalt for the 99 spaces,
- Item 2, option for the reduction from 99 to 86 spaces for the asphalt surface lot, and
- Item 3, option for the reduction from 99 to 86 spaces for the gravel surface lot.

In terms of the construction of the lot, tender documents were prepared for Contract P10-1, Hillcrest Yard - New Employee Parking Lot and a Request for Tenders was advertised on the TTC's web site on August 12, 2005. Sixteen (16) companies requested copies of tender documents out of which four companies submitted a tender, which are summarized in Appendix 'A'.

NEI submitted the lowest price tender and did not state any exceptions or qualifications. As this company has not performed work previously for the Commission, reference checks were completed which indicate that they have satisfactorily performed work of a similar size and nature. Their tender is considered commercially and technically acceptable.

The Agreement to Bond submitted by NEI covers both a Labour and Material Payment Bond and a Performance Bond. The Surety Company noted on the tender is licensed to transact business under the Insurance Act of Ontario. The successful Tenderer will be required to execute a Performance Bond and Labour and Material Bond each in the amount of 50% of the contract value.

Lafarge Paving & Construction Limited submitted the second lowest priced tender and also did not state any exceptions or qualifications. Their tender is considered commercially and technically acceptable. It is noted that there is a discrepancy between the name of the company that acquired the Tender Documents (Warren Bitulithic Ltd.) and the name under which the Tender was submitted (Lafarge Paving & Construction Limited). Prior to any consideration for award this issue would have to be addressed.

Empire Paving Limited submitted the third lowest priced tender and also did not state any exceptions or qualifications. Their tender is considered commercially and technically acceptable.

The base bid was premised on a 99-space lot arrangement, which was designed with a minimal encroachment on adjacent CPR lands at the SW corner of the lot. However to date, CPR has not been able to provide a firm commitment on concurrence for this encroachment area. Discussion is still ongoing with CPR; the decision to exercise Option 3 will be made at a later date. As a result, the recommended tender price of \$379,000 provides for 99-space gravel lot (Appendix 'A').

## **PART 2: OPERATION AND MAINTENANCE**

In order to facilitate safety, security, maintenance and operational aspects associated with this new employee lot, staff have negotiated with the private parking lot operator (Car Park) fronting onto Bathurst Street to operate and maintain the lot on behalf of the TTC. Car Park has also agreed to allow TTC employees to use their parking lot as a means to ingress and egress to and from the TTC

employee lot. The annual costs to operate the employee lot is in the order of \$40,000 per year.

The annual price of \$33,750 to \$40,000 is considered acceptable by staff when compared to the current fees for operating the TTC's commuter parking program. A budget of \$40,000 per year would bring the purchase order to \$200,000 for the five-year term.

**JUSTIFICATION**

Car Park has considerable experience in operating parking lots. Their price is considered acceptable and they are also in agreement to allow TTC employees to access the new lot via their own property.

The tender submitted by NEI is the lowest acceptable tendered price for the construction of the parking lot.

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October 19, 2005  
22-7-3

Attachment

*P:\CR\Reports\CR – Operation of Hillcrest Employee Parking Lot – October 19, 2005*

**APPENDIX 'A'**

**HILLCREST YARD - NEW EMPLOYEE PARKING LOT  
CONTRACT P10-1**

**SUMMARY OF TENDERS**

<b>COMPANY</b>	<b>TENDERED PRICE</b> (99 spaces asphalt lot)	<b>SPECIFIED OPTION 1</b> (99 spaces gravel lot)	<b>SPECIFIED OPTION 2</b> (86 spaces asphalt lot)	<b>SPECIFIED OPTION 3</b> (86 spaces gravel lot)
NEI Construction Corp.	\$489,000.00	(\$110,000.00)	(\$5,000.00)	(\$4,000.00)
		Net \$379,000.00	Net \$484,000.00	Net \$375,000.00
Lafarge Paving &	\$618,323.77	(\$1,587.22)	(\$250.00)	(\$0)

Construction Limited		Net \$616,736.55	Net \$618,073.77	Net \$616,736.55
Empire Paving Limited	\$694,751.00	(\$42,800.00)	(\$1,500.00)	(\$2,500.00)
		Net \$651,951.00	Net \$693,251.00	Net \$649,451.00
Dig-Con International Ltd.	\$775,000.00*	(\$80,000.00)	(\$500.00)	(\$500.00)
<b>ENGINEER'S ESTIMATE</b>	\$500,000.00	(\$100,000.00)	(\$3,000.00)	(\$2,000.00)
		Net \$400,000.00	Net \$497,000.00	Net \$398,000.00

Net denotes the Adjusted Tender Price

\* Tender is not acceptable