

Procurement Authorization Contract D3-4 Fire Ventilation Upgrade Castle Frank Station - Second Exit

Meeting Date: June 18, 2008

Subject: Procurement Authorization Contract D3-4 Fire Ventilation Upgrade Castle Frank Station – Second Exit

Recommendation

It is recommended that the Commission authorize the acceptance of the tender submitted by Torcom Construction Inc. (Torcom), and the award of Contract D3-4, Fire Ventilation Upgrade - Castle Frank Station Second Exit, in the amount of \$5,480,000.00

Funding

Sufficient funds for the above expenditures are included in Program 3.9 – Buildings and Structures – Fire Ventilation Upgrade (as set out in pages 783-795, State of Good Repair/Safety Category) of the TTC's 2008-2012 Capital program, which was approved by City Council on December 11, 2007.

Background

The scope of the Fire Ventilation Upgrade includes providing a second means of egress at stations with only one means of egress. Castle Frank Station is one of fourteen stations that will be upgraded by constructing a second means of egress from the station platforms to the exterior.

Discussion

Contract D3-4 provides for all the work required to construct a second means of egress from both subway platforms to the exterior.

A Request for Tenders was publicly advertised on the TTC's Web site on January 25, 2008.

Thirteen companies requested copies of the tender documents, out of which five submitted tenders as summarized in Appendix A.

Torcom submitted the lowest priced tender and did not state any exceptions or qualifications nor did they submit any alternatives.

The Agreement to Bond submitted by Zurich Insurance Company 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. Torcom have satisfactorily performed previous work for the Commission of a similar size and nature.

Steelcase Construction Inc. (Steelcase) submitted the second lowest priced tender. They did not state any exceptions or qualifications nor did they submit any alternatives. Steelcase have satisfactorily performed previous work for the Commission.

Struct-Con Construction Ltd. (Struct-Con) submitted the third lowest priced tender. They did not state any exceptions or qualifications nor did they submit any alternatives. Struct-Con have satisfactorily performed previous work for the Commission.

The lowest priced tender submitted by Torcom in the amount of \$5,480,000 is 29% higher than the Engineer's Estimate (EE) of \$4,250,000. Upon further analysis, costs for three elements in particular, General Requirements, Shoring/Caisson Walls and Excavation were consistently high among 3 lowest bids. This is indicative of current market conditions as these elements for this type of heavy construction work are highly volatile. After taking these factors into consideration and adjusting the EE to \$4,932,000, the lowest priced tender submitted by Torcom is within the reasonable variance range to the EE. Furthermore, the pricing spread between the three low bids is approximately 1%, reflecting competitive pricing.

Justification

The tender submitted by Torcom Construction Inc. is the lowest priced tender.

May 23, 2008

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Attachments: Appendix A

Appendix 'A'

Fire Ventilation Upgrade Castle Frank Station – Second Exit Contract D3-4

Summary Of Tenders

Company / Tendered price:

- Torcom Construction Inc.- \$5,480,000.00
- Steelcase Construction Inc.- \$5,512,000.00
- Struct-Con Construction Ltd. - \$5,548,000.00
- Jeviso Construction Corporation - \$5,975,000.00
- 1031644 Ontario Inc. O/A Consolidated Canadian Contractors - \$6,647,000.00

- Engineer's Estimate - \$4,250,000.00

Note: Torcom Construction Inc. is the recommended Company.