

**West Parry Sound Recreation and Cultural Centre Board  
Special Open Meeting Agenda – June 5, 2024**

**Date:** June 5, 2024

**Time:** 6:30 PM

**Location:** Town of Parry Sound Council Chambers, 52 Seguin St. (Gibson St. entrance) (Virtual meeting option for participants)

**1. Agenda:**

**1.1 Approval of Special Meeting Agenda**

That the Agenda for the June 5, 2024 West Parry Sound Recreation and Cultural Centre Board is hereby approved as circulated.

**1.2 Declaration of Pecuniary Interest**

**2. Business**

**2.1 Drywall and Mechanical Tender Package Award Recommendations**

**Submitted by:** Steering Committee & Project Manager

**Resolution:**

That the Board approve the award of the drywall tender package to Rosemar Drywall Ltd. with a total contract value of \$1,469,269 (excluding HST), and, That the Board approve the award of the mechanical tender package to Kelson Mechanical Systems Inc. with a total contract value of \$5,898,732 (excluding HST).

**3. Adjournment**

## West Parry Sound Area Recreation and Cultural Centre Board Open Meeting Report

**Meeting Date:** June 5, 2024

**Report Title:** Drywall and Mechanical Tender Package Award Recommendations

**Submitted by:** Steering Committee & Project Manager

### **Purpose of Report:**

To authorize the award of the drywall tender package to Rosemar Drywall Ltd. for the supply and installation of drywall and the associated works for the West Parry Sound Recreation and Cultural Centre facility, and,

To authorize the award of the mechanical tender package to Kelson Mechanical Inc. for the supply and installation of plumbing HVAC and Building Automation Systems for the West Parry Sound Recreation and Cultural Centre facility.

### **Resolution:**

That the Board approve the award of the drywall tender package to Rosemar Drywall Ltd. with a total contract value of \$1,469,269 (excluding HST), and,

That the Board approve the award of the mechanical tender package to Kelson Mechanical Systems Inc. with a total contract value of \$5,898,732 (excluding HST).

### **Background:**

As the project construction works have commenced, the project team continues to finalize tender packages associated with the construction of the facility.

Gordon + Gordon Group Inc, the boards project management firm, along with Ball Construction, the construction manager for the project completed class A cost estimates for the project and the associated tenders being released for construction services.

The board authorized project funds be committed, managed, and controlled according to the following levels and escalation rules:

- Variances for cost items that are less than a \$15,000 (approximately 0.05% of the Project budget) can be committed and approved by the Project Manager.
- Variances for individual cost items that are \$15,001 and \$100,000 (approximately 0.3% of the Project budget) can be committed and approved by the Steering Committee representative appointed as construction lead.
- Variances for individual cost items that are between \$100,001 and \$250,000 (approximately 0.7% of the Project budget) can only be committed and approved by the Steering Committee representative appointed as construction lead in consultation with the Steering Committee sub-committee.
- Variances for individual cost items and/or construction package variances that are greater than \$250,000 can only be committed and approved by the Municipal Services Board.

## West Parry Sound Area Recreation and Cultural Centre Board Open Meeting Report

Both the drywall and mechanical tender packages have variances greater than \$250,000 and require approval by the MSB before awarding the contracts.

### **Drywall**

In March 2024, the drywall scope of work was tendered, and the results attracted four compliant bids, the bid result pricing was 33% higher than the class A cost estimate.

The drywall tender package includes the supply and installation of load bearing metal studs, thermal insulation, vapour retarders, air barrier, fire stopping and smoke seals, sealants, gypsum & cement board, acoustical ceilings, and acoustic panels.

The drywall tender package closed with four compliant bids with the following bid results:

|                        | <b>Rosmar</b>      | <b>Grassing</b> | <b>PJ Daly</b> | <b>King</b> |
|------------------------|--------------------|-----------------|----------------|-------------|
| Total Contract Amount: | <b>\$1,469,269</b> | \$1,478,570     | \$1,621,433    | \$2,652,458 |

### **Mechanical**

In February 2024, the mechanical scope of work was tendered, and the results were unfavorable with no responses to the tender call. The team undertook a review of the scope of work, made adjusted the scope and the tender documents and re-issued the tender in March 2024.

The adjusted scope and tender documents attracted three compliant bids of the thirteen bidders invited to make a submission, the bid results rendered three compliant bids although pricing was 17.8% higher than the class A cost estimate.

This work packages require timely authorization to enable ordering and procurement of several long lead time components of the facility.

The mechanical tender package includes the supply and installation of plumbing HVAC and Building Automation Systems and closed with three compliant bids with the following bid results:

|                        | <b>Kelson</b>      | <b>Dordan</b> | <b>Velocity</b> |
|------------------------|--------------------|---------------|-----------------|
| Total Contract Amount: | <b>\$5,898,732</b> | \$6,058,445   | \$6,137,547     |

# West Parry Sound Area Recreation and Cultural Centre Board Open Meeting Report

## **Financial Impact:**

### Drywall

The Class A cost estimate projected the drywall scope of work to be \$1,100,816, the tender closed with the low bid being \$1,469,269. The increased costs are attributed to local market conditions, and a lack of materials. Furthermore, the inclusion of the acoustic panels in the natatorium and fitness area were additional scope added to this contract.

### Mechanical

The Class A cost estimate projected the mechanical scope of work to be \$5,003,500, the tender closed with the low bid being \$5,898,732. The increased costs are attributed to a lack of vendors wanting to work in this area, the mechanical industry is extremely busy across the province currently and as a result has stressed the workforce resources for new projects.

### Cumulative Financial Impacts

With these two tender packages over budget by a cumulative total of \$1,263,685 over the estimated class A cost estimate for the scope of work, cumulatively the project is running at a 0.65% variance from the class A estimates.

|                             |                   |                    |
|-----------------------------|-------------------|--------------------|
| Total Budget Recommendation | \$22,860,645      |                    |
| (Class A) Running Total:    |                   |                    |
| Recommendation Running      | \$23,009,087      |                    |
| Total:                      |                   |                    |
| Cumulative Budget           | \$148,442 (0.65%) | <b>Over Budget</b> |
| Status:                     |                   |                    |

Project variance will continue to be monitored through ongoing tender results and will be managed and reported on accordingly. At this stage in the project, there is an estimated \$2.84 million in tenders yet to be awarded.

## **Conclusion:**

The project Manager in consultation with the Steering Committee recommends that the board approved the award of the drywall tender package to Rosemar Drywall Ltd. with a total contract value of \$1,469,269 (excluding HST) and award the mechanical tender package to Kelson Mechanical Systems Inc. with a total contract value of \$5,898,732 (excluding HST).