

COUNCIL REPORT

M&C No.	2019 - 80
Report Date	March 28, 2019
Meeting Date	April 08, 2019
Service Area	Finance and Administrative Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: City Market Tower – Phase 2 Interior Renovations and Fit-Up

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Samir Yammine</i>	<i>Kevin Fudge</i>	<i>John Collin</i>

RECOMMENDATION

It is recommended that the tender submitted by Eclipse Construction Services Ltd., for the City Market Tower Phase 2 Interior Renovations and Fit-Up, in the amount of \$3,162,806.30 plus HST be accepted. Further to the base tender amount, it is recommended that a contingency allowance be carried for this project in the amount of \$158,140.32 plus HST, for a total project cost of \$3,320,946.62 plus HST. Additionally, it is recommended that the Mayor and Common Clerk be authorized to execute the necessary contract documents.

EXECUTIVE SUMMARY

The purpose of this report is to seek Council's approval to award the City Market Tower Phase 2 Interior Renovations and Fit-Up to the lowest compliant bidder.

PREVIOUS RESOLUTION

The following previous resolutions were adopted by Common Council:

- 1) M&C 2015-199.
 - a. Approve the Contribution with the Atlantic Canada Opportunity Agency (Project No. 206167) and authorize its execution by the Mayor and Common Clerk;
 - b. Commit to allocating \$1,330,000 toward the Saint John City Market Upgrade Program, within the City of Saint John's capital budget prior to 2018, contingent on the Government of New Brunswick confirming its contribution of \$2,030,000

- 2) *M&C 2016-238. Approve the contribution Agreement between the City of Saint John and the Regional Development Corporation (Project No. 7807) and authorize its execution by the Mayor and Common Clerk;*
- 3) *M&C 2017-048. It is recommended that the tender submitted by Eclipse Construction Services., for the replacement of the Heritage Window Replacement, in the amount of \$853,252.85 including HST be accepted. Further to the base tender amount, it is recommended that a contingency allowance be carried for this project in the amount of \$35,000 plus HST, for a total amount of \$893,502.85 including HST. Additionally, it is recommended that the Mayor and Common Clerk be authorized to execute the necessary contract documents.*
- 4) *M&C 2017-197. It is recommended that the tender submitted by Eclipse Construction Services Ltd., for the City Market Tower Phase 1 Envelope Rehabilitation and Structural Remediation, in the amount of \$2,013,249.47 plus HST be accepted. Further to the base tender amount, it is recommended that a contingency allowance be carried for this project in the amount of \$290,000 plus HST, for a total project cost of \$2,303,249.47 plus HST. Additionally, it is recommended that the Mayor and Common Clerk be authorized to execute the necessary contract documents.*

STRATEGIC ALIGNMENT

The City Market is a gem for the City of Saint John. The City Market is one of the most important public gathering spaces in the greater Saint John region. It is a place where regional vendors sell a range of goods as well as goods from around the world. The Market provides a range of merchandise that serves all residents of the community.

The City Market, the oldest continuing farmer's market in Canada, forms the historic centerpiece of the revitalized city center in Saint John. The City Market is a National Historic Site, which recognizes the Market's defining contribution to the identity and culture of Canada. In February 1988, the City of Saint John entered into a cost sharing agreement with the Federal Government (Environment Canada – Parks) for the restoration of the Saint John City Market. This agreement declared that the Saint John City Market "be of national historic and architectural significance". An important stipulation in this agreement is as follows:

"The City will, at its own expense, and subject to the Conservation Report, operate, maintain, and protect the Market in its restored state for a period of forty-two (42) years..."

As such, the City of Saint John has a responsibility under this agreement to maintain and protect the City Market in a restored state until the year 2030. This includes the Head Tower.

In addition to the above, in terms of strategic alignment, the Saint John City Market is also located in an intensification area (uptown primary centre), which aligns with Plan SJ. The proposed exterior and structural remediation work is part of the City Market Tower capital renewal which was identified as a high priority by the Common Council.

REPORT

BACKGROUND

In April, 2018, the City of Saint John completed Phase 1 of the City Market Tower. Phase 1 consisted of exterior and structure remediation works as well as replacement of windows, doors, roofs, rainwater leaders and gutters. Immediately after the completion of phase 1, staff in cooperation with the City's architect started working on the design and tender package of Phase 2 Interior Renovations and Fit-Up. The completion of Phase 2 will enable City Staff to move to the City Market Tower, which is expected to be in late November 2019.

ANALYSIS

The proposed scope of work of phase 2 consists of, but is not limited to, the following:

- Interior renovations of the City Market Tower floors, main stairwell and partial renovation of the market elevator lobby
- Replacement of the two boilers
- Supply and Installation of a new high efficiency heating and cooling system including a smart control system
- Supply and Installation of three high efficiency Energy Recovery Ventilators (ERV)
- Expanding of the electrical and boiler rooms
- Supply and installation of a new electrical service entrance
- Supply and installation of new lighting, power and communications distribution including lighting control
- Supply & installation of new exterior lighting system
- Modernizing of the existing elevator
- Structural remediation of interior timber systems, and interior brick load-bearing walls

SERVICE AND FINANCIAL OUTCOMES

The total cost to perform the City Market Tower Phase 2 Interior Renovations and Fit-Up, if awarded to the lowest bidder as recommended, will be \$3,320,946.62 plus HST. This includes the \$158,140.32 contingency allowance.

The cost of the project with the HST rebate applied (100% in this case) will be \$3,320,946.62.

The total cost has exceeded the approved original cost of the City Market interior renovation by approximately \$339,642.30 excluding contingency. This is due to the installation of new boilers, heating and electrical service entrance as well as increase in cost to the aluminum and steel materials. The original boilers and heating systems as well as the electrical service entrance are over 35 years old and have surpassed their expected useful life. However, staff have identified the following projects in the 2018 and 2019 capital budget, which are under budget or are not required to be done: Heat Pump Installation, Market Slip Steel Sheet, Harbour station expansion joint, leisure Services Offices window replacement, ammonia gas detection, Carleton community center HVAC upgrade. The total cost of these projects is approximately \$497,782.62, which would be allocated to the City Market Interior Renovation Project as per the capital budget policy.

Funding for this project is provided by a shared funding agreement with Regional Development Corporation (RDC) in the amount of \$401,000, Atlantic Canada Opportunity Agency (ACOA) in the amount of \$494,094.91, Federation of Canadian Municipalities (FCM) in the amount of \$900,000, NB Power Energy Program in the amount of \$12,789 with the remaining funds of \$1,513,062 provided from the 2018 & 2019 City of Saint John Capital budget envelope.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS – MATERIALS MANAGEMENT

A public tender call was issued on March 6, 2019 and closed on March 26, 2019. Four (4) companies responded to the tender call by submitting bids. The results are as follows:

Eclipse Construction Services Ltd.	\$ 3,162,806.30 plus HST
Bird Construction Group	\$ 3,238,000.00 plus HST
John Flood & Sons (1961) Ltd.	\$ 3,250,676.00 plus HST
Lindsay Construction Limited	\$ 3,439,000.00 plus HST

Staff of Materials Management have reviewed the tenders and have found them to be complete and formal in every regard. Staff believes that the low tenderer,

Eclipse Construction Services Ltd., has the necessary resources and expertise to perform the work, and recommend acceptance of their tender.

The above process is in accordance with the City's Procurement Policy and Materials Management support the recommendation being put forth.

ATTACHMENTS

N/A