

Section I – Items for Authority Action

TO: Chair and Members of the Executive Committee
Meeting #5/18, Friday, July 06, 2018

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **GIBRALTAR POINT EROSION CONTROL PROJECT**
Contract #10007876

KEY ISSUE

Award of Contract #10007876 for construction services relating to the Gibraltar Point Erosion Control Project, Toronto Islands.

RECOMMENDATION

THE EXECUTIVE COMMITTEE RECOMMENDS THAT Contract #10007876 for the construction of a nearshore reef and groyne relating to the Gibraltar Point Erosion Control Project be awarded to Galcon Marine Ltd. for a total cost not to exceed \$9,077,161, plus 15% contingency to be expended as authorized by Toronto and Region Conservation Authority (TRCA) staff, plus HST, it being the lowest bidder meeting TRCA specifications;

AND FURTHER THAT authorized TRCA officials be directed to take all necessary actions to implement the foregoing, including the signing and execution of any documents.

BACKGROUND

A severe storm in 2004 prompted the City of Toronto to engage TRCA to undertake emergency works on the Toronto Islands, specifically at Gibraltar Point to protect a washroom facility. Following this work, TRCA completed the Gibraltar Point Erosion Control Class Environmental Assessment (EA) which proposed a long-term solution to address the ongoing shoreline erosion. The EA was approved by the Ministry of the Environment and Climate Change in 2008, however due to funding constraints, the project was not implemented.

Funding was recently secured from the City of Toronto to implement this project, however as more than five years had passed since the EA was approved, TRCA had to undertake an Addendum to the EA. The Addendum process was started in 2016 and was approved in April 2018. The approved concept for shoreline protection at Gibraltar Point consists of an adaptive sand management program, a nearshore reef, and a groyne at the west end of Manitou Beach on the Toronto Islands.

The Gibraltar Point Erosion Control Project will result in the protection of significant habitat, critical infrastructure and recreational assets that are currently at risk along the southwest shore of the Toronto Islands. Strong storms in the winter of 2016-2017, along with record high lake levels in Lake Ontario in 2017, have combined to further worsen the erosion at Gibraltar Point. TRCA's coastal engineers, W.F. Baird and Associates have estimated that the shoreline is eroding at a rate of approximately 4m/year.

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Construction of the Gibraltar Point Erosion Control Project will be undertaken over four years. The nearshore reef and groyne will be constructed by Galcon Marine Ltd. over three years, utilizing a marine based operation to mitigate potential impacts to park users. The nearshore reef will be installed in the first two years beginning in the fall of 2018 and the groyne will be completed in 2020. The fourth and final year of the project will consist of beach habitat improvements including planting of native vegetation and dune restoration to be undertaken by TRCA staff.

Extensive community consultation was undertaken throughout the EA Addendum process. This included formation of a Community Liaison Committee comprised of Island residents and other interested stakeholders that helped to inform the design and planning process; a Public Information Centre; First Nations engagement; email notifications to waterfront and Toronto Island residents and stakeholders; and the creation of a project specific website (www.trca.ca/gp).

During implementation of the Gibraltar Point Erosion Control Project staff will provide ongoing project updates to waterfront and Toronto Islands residents and other interested stakeholders, including First Nations. This will include a publicly advertised construction notice prior to project commencement as well as regular project newsletter and website updates. A community planting event will also be planned at the conclusion of the site restoration activities.

RATIONALE

A Request for Pre-Qualification (RFPQ) statements for general contractors to pre-qualify for construction services was publicly advertised on the electronic procurement website *Biddingo* (www.biddingo.com) on April 13, 2018. General contractors interested in pre-qualifying were advised that in order to receive a tender package they would have to meet the following criteria:

- Completeness of submission;
- Past experience with construction within environmentally sensitive areas;
- Construction of similar erosion control works and shoreline protection works;
- Experience working in and around watercourses;
- Ability to meet construction schedule milestones; and
- Ability to coordinate work by others.

On April 27, 2018, TRCA received pre-qualification submissions from the following 12 general contractors:

- Atlantis Marine Construction Canada Inc.;
- Bronte Construction Ltd.;
- CSL Group;
- Deen Construction Company Ltd.;
- Doornekamp Costruction Ltd.;
- Dynex Construction Inc.;
- Galcon Marine Ltd.;
- Hobden Construction Company Ltd.;
- McNally Construction Inc.;
- Metric Contracting Services Corp.;
- R&M Construction; and
- Varcon Construction Corporation.

Following receipt of the submissions, pre-qualifying documents were reviewed by the selection committee made up of TRCA staff. Evaluations were based on the criteria defined above. Based on the evaluation process, Request for Tender (RFT) documents were made available on May 15, 2018 to the following six general contractors:

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- Dean Construction;
- Doornekamp Construction Ltd.;
- Dynex Construction;
- Galcon Marine Ltd.;
- McNally Construction; and
- Metric Contracting Services Corp.

A mandatory meeting and site tour was held on May 23, 2018. The RFT closed on June 1, 2018.

Three contractors: Dean Construction; Dynex Construction Inc; and Metric Contracting Services Corp. declined the opportunity to bid, due to their current workload and inability to take on any additional work at this time. Doornekamp Costruction Ltd. submitted a bid as a subcontractor to the remaining two bidders. The Procurement Opening Committee opened the Tenders on June 1, 2018 at 12:00 pm with the following results:

RFT # 10007876

Gibraltar Point Erosion Control Project – Construction of a Nearshore Reef and Groyne

Bidders	Phase 1	Phase 2	Phase 3	Total (Plus HST)
Galcon Marine Ltd.	\$3,633,664	\$4,216,239	\$1,227,258	\$9,077,161
McNally Construction	\$4,880,526	\$6,595,876	\$3,401,195	\$14,877,597

The main tender item that varied substantially between contractors was the proposed mobilization and demobilization costs. The large range in pricing is based on the location of the contractor's equipment relative to the work area and cost associated with transporting their machinery and materials to the site. Galcon Marine intends to mobilize and stage/stockpile from their yard located in the Toronto Harbour and has priced their mobilization accordingly. McNally Construction would have to mobilize their equipment from Hamilton.

Corporate Services staff reviewed the bid received from Galcon Marine Ltd. against its own cost estimate and has determined that the bid is of reasonable value and also meets the requirements as outlined in the contract documents. Further assessment by TRCA staff of Galcon Marine Ltd.'s experience and ability to undertake similar projects was conducted through reference checks which resulted in positive feedback that Galcon Marine Ltd. is capable of undertaking the scope of work. Therefore, TRCA staff recommends that Contract #10007876 be awarded to Galcon Marine Ltd. for a total cost not to exceed \$9,077,161, plus a 15% contract contingency, plus HST as they are the lowest bidder meeting TRCA's specifications.

This project aligns with Leadership Strategy #2: Manage our Regional Water Resources for Current and Future Generations of TRCA's 10-year Strategic Plan, as the shoreline erosion control measures will contribute to maximizing the resilience of our water systems in preparation for predicted changes in climate change and assist with reducing the risk of future erosion.

Additionally, this project aligns with Enabling Strategy #7: Build partnerships and new business models of TRCA's 10-year Strategic Plan. TRCA has completed erosion control work on behalf of the City multiple times allowing us to demonstrate TRCA's expertise and capability in performing this critical task thereby increasing TRCA's financial resilience.

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FINANCIAL DETAILS

The total cost of this project is approximately \$13.5 million and will be implemented over four years. Funding is available in the Toronto Capital Budget for the contract period of 2018 to 2021, in account 151-01.

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