

**REPORT TO THE CAPITAL REGIONAL HOSPITAL DISTRICT BOARD
MEETING OF WEDNESDAY, JULY 12, 2017**

SUBJECT **The Summit at Quadra Village Project
Main Works Packages
Award of Contract CRHD.2017-3-006-Mechanical**

ISSUE

To seek approval for award of Contract CRHD.2017-3-006-Mechanical for the mechanical, HVAC and plumbing systems of the Summit project, as part of scheduled Main Works tender packages.

BACKGROUND

The Capital Regional Hospital District (CRHD) Board, under a Master Development Agreement with the Vancouver Island Health Authority (Island Health), has been planning the Summit at Quadra Village Project (the Summit) 320-bed complex residential care facility since 2014. The Summit will provide modern replacement beds for Oak Bay Lodge and Mt. Tolmie Hospital, facilities that have reached their end of life.

The Summit will occupy the 1.42 hectare former Blanshard Elementary School playing field at 955 Hillside, Victoria. The new facility provides 20,332 square meters of area, plus underground parking for at least 94 vehicles. The building design is targeting very high performance metrics for energy use intensity, CO₂ emissions and carbon footprint in addition to accepted sustainable design norms. The estimated construction cost for the entire project is \$65 million plus appropriate contingencies.

This contract is the Summit's sixth tendered trade contract, and the second of the 'Main Works' packages. This package allows us to provide the already-procured concrete structure with plumbing, heating, air conditioning systems, infrastructure and equipment. This work includes a high-performance mechanical design which reduces the project's carbon footprint and energy costs to a notably lower level due to cooperation with Island Health.

The value of the Mechanical trade contract was estimated at **\$13,781,700** during the Contract Documentation phase inclusive of all estimating contingencies. The contract was issued for public tender as part of an omnibus public tender call on May 9, 2017 and five compliant bids were received at tender closing on June 20, 2017.

The tenders have been reviewed for compliance with the tender documents, clarified and equalized, and checked for mathematical errors.

Verified bid amounts are as follows:

No.	Trade Contractor name	Total Tendered Amount [excluding GST]
1.	PML Professional Mechanical Ltd.	\$12,190,138
2.	Bayside Mechanical Ltd.	\$12,316,400
3.	CanWest Mechanical Inc.	\$12,384,232
4.	Trotter & Morton Building Technologies Inc.	\$12,559,328
5.	Keith Plumbing & Heating Co. Ltd.	\$12,872,063

ALTERNATIVES

1. That Contract CRHD.2017-3-006-Mechanical for the Summit at Quadra Village Project be awarded to PML Professional Mechanical Ltd. in the amount of \$12,190,138 [excluding GST] and that a project contingency of \$365,705 [excluding GST] be approved.
2. That Contract CRHD.2017-3-006-Mechanical not be awarded.

FINANCIAL IMPLICATIONS

The development of the Summit at Quadra Village is a priority project for both the CRHD and for our contractual operating tenant, Island Health.

The lowest compliant tender, from PML Professional Mechanical Ltd., is \$12,190,138. This amount is below the budget amount currently allocated for this scope by \$1,591,562, approximately 11.5%.

Contract progress payments will be drawn from the construction portion of the CRHD Board-approved \$86,443,285 Summit project budget.

CONCLUSION

The construction of the Summit at Quadra Village is a highly-anticipated priority project. The CRHD is contractually obliged to deliver this facility for Island Health tenancy to commence on schedule in the spring/summer of 2019. This trade contract is part of a continuous chain of construction processes leading to that goal. Due to onsite delays with respect to the foundation pilings, time is of the essence. This contract is one of 29 Main Works tender packages tendered simultaneously and is an overdue critical-path contract that should be executed immediately. The balance are still being analyzed and will be presented for execution at the August Board meeting.

The unadjusted results from all 29 aggregated Main Works tenders closed on June 20, 2017 indicate that the entire project will be appropriately under budget once the remaining contracts are executed by the CRHD Board.

Following tender closing, the lowest compliant mechanical bid was found to be complete and within budget. If awarded by the Board on July 12, 2017, mobilization and coordination work will commence immediately and be completed by early 2019.

RECOMMENDATION

That Contract CRHD.2017-3-006-Mechanical for the Summit at Quadra Village Project be awarded to PML Professional Mechanical Ltd. in the amount of \$12,190,138 [excluding GST] and that a project contingency of \$365,705 [excluding GST] be approved.

Submitted by:	David Wilkinson, Architect AIBC, Summit Project Manager
Concurrence:	Kevin Lorette, P.Eng., Summit Project Director & General Manager PPS
Concurrence:	Robert Lapham, MCIP RRP, Chief Administrative Officer

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Appendix A – Contract No. CRHD.2017-3-006-MECHANICAL Agreement between the Capital Regional District and PML Professional Mechanical Ltd.