

Committee of the Whole

DATE: Tuesday, June 18, 2024

WARD(S): 5

TITLE: GALLANOUGH PARK IMPROVEMENTS

FROM:

Vince Musacchio, Deputy City Manager, Infrastructure Development

ACTION: DECISION

Purpose

To seek approval to expedite park improvements at Gallanough Park via Single Source procurement and provide authority to negotiate and execute any resulting agreements.

Report Highlights

- Works on the underground stormwater facilities at Gallanough Park are nearing completion.
- The contractor initially awarded for those works was named in default and a new contractor, Varcon Construction Corporation, was retained by the Surety under the Bond to complete the initial scope of work.
- The City is now in a position to continue with aboveground park improvements and is recommending a Single Source Award to Varcon for the reasons provided below.

Recommendations

1. That Council direct Staff to proceed with a Single Source Award to the identified Supplier, Varcon Construction Corporation, for the aboveground park improvements at Gallanough Park at a cost that is to be negotiated, and that the Deputy City Manager, Infrastructure Development, together with the Director of Procurement Services, be authorized to negotiate, execute and administer any resulting agreements in a form satisfactory to Legal Services.

Background

The revitalization of Gallanough Park has been ongoing since 2021. The initial phase of works included the design and construction of an underground stormwater management facility. Due to contractor default, a claim was made under the Performance Bond, and the Surety retained a new contractor, Varcon Construction Corporation to complete the original scope of work. The next phase of works includes aboveground park improvements. Staff are seeking authority to award this next phase of works to Varcon via Single Source procurement, given the rationale provided below. Negotiations are ongoing for the final contract price, therefore Staff are also seeking authority to negotiate and execute, further to the negotiations plan contained in the Confidential Attachment to this Report.

Previous Reports/Authority

[June 8, 2021, Committee of the Whole 2, Report No. 6, Item No. 3, Allocation of Additional Canada Community-Building Fund in 2021 \(Formerly Federal Gas Tax Funding\)](#)

Analysis and Options

In July 2021, the City issued the Request for Tender T21-219 for construction of the Gallanough Park stormwater facility and Arnold Avenue storm relief sewer. The successful bidder, dpSL Group Ltd. was later declared to be in default under the Contract. A claim was accepted by the Surety under the Performance Bond, and the Surety retained a new contractor, Varcon Construction Corporation, to complete the remaining scope of work.

As a result of the original contractor default, the project experienced major delays. The inaccessibility of Gallanough Park for recreational use during construction has had a very negative impact on the area residents. At the same time, these delays impacted the previously coordinated stormwater improvements and park redevelopment works. Proposed park improvements include new pollinator gardens, a new shade structure with seating areas, new accessible walkways, upgraded lighting and fitness stations throughout the park.

Staff recommend awarding the next phase of works to Varcon for the following reasons:

- To mitigate any further delays to the access to the park - Varcon has the ability to continue to the next phase of works without the need for complete demobilization from site and having another contractor mobilize at a later time;
- Avoidance of duplication of works - having Varcon complete the sodding of the park, and having another contractor immediately remove and disturb the finishes.

- To avoid back-to-back works – such as opening the park after the stormwater improvements project is completed and closing it again to complete the park redevelopment improvements.
- To manage warranty risks - the warranty is at great risk of being voided if a new contractor advanced the park improvements work within the vicinity of the Storm Water Management infrastructure.
- Knowledge of site conditions and construction considerations - given their work on the underground works, Varcon's continuation on the site would be advantageous to the City, given their acquired knowledge of site conditions.

Varcon has shown to be a competent contractor capable completing the parks redevelopment improvements this year, at a fair and reasonable price.

A Single Source Procurement is one where other suppliers are available, however, there are valid and sufficient reasons for selecting one supplier in particular. The City's Procurement Policy provides criteria which must be met in order to procure via Single Source Procurement. Given the need for standardization and compatibility with previously acquired services, the risk of jeopardizing existing warranties due to the potentially overlapping work, and the ability to complete the works in the requested timeframe the Director of Procurement Services is of the view that a Single Source Award is justified. Given the anticipated amount of the award, Council approval is sought for the award.

Financial Impact

The capital cost associated with the Single Source Award is currently under negotiation. Staff have provided a Confidential Attachment to Council detailing the proposed negotiation plan and seek authority to negotiate and execute any resulting agreements. Once the contract has been executed, Staff will report back with details of the negotiated price.

Parks Infrastructure Planning and Development have secured the necessary capital funding (Capital Project No.'s PD-8116-22 and PD-9582-22) through the annual budget process.

Operational Impact

Procurement Services and Legal Services have been consulted in the preparation of this report.

Broader Regional Impacts/Considerations

N/A

Conclusion

Staff are recommending that they be directed to proceed via a Single Source Award to Varcon Construction Corporation at a cost to be negotiated for the above ground park improvements at Gallanough Park. Procurement, through a Single Source Award, will not only result in best value for the City but will benefit the City with a quicker turnaround time, a Supplier with knowledge of the site conditions and avoid risking any existing warranties.

For more information, please contact: Roberto Squassero, Director of Infrastructure Delivery, ext. 8749

Attachments

1. Gallanough Park – Park Improvements Negotiations Plan (Confidential)

Prepared by

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