

Staff Report



Financial Services Department

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REPORT TO: Committee of the Whole

DATE OF MEETING: June 20, 2022

SUBMITTED BY: Ryan Scott, Manager of Procurement, 519-741-2200 ext. 7214

PREPARED BY: Harvey Mariera, Procurement Specialist, 519-741-2200 ext. 7217

WARD(S) INVOLVED: 4

DATE OF REPORT: June 10, 2022

REPORT NO.: FIN-2022-307

SUBJECT: Q22-041 Doon Valley Golf Course Renovations

RECOMMENDATION:

That Quotation Q22-041 Doon Valley Golf Course Renovations, be awarded to North Gate Farms Ltd. Campbellville, Ontario, at their adjusted quoted price of \$442,428.00, plus H.S.T. of \$57,515.64, for a total of \$499,943.64, provided a satisfactory contract is executed.

REPORT HIGHLIGHTS:

- The purpose of this report is to obtain approval to proceed with an award as per Purchasing By-law 2017-106;
- The reason this report is coming forward is that the value of the bid being recommended for award is in excess of the Council approved budget;
- There were five (5) solicitations received for this procurement;
- This report supports the delivery of core services.

BACKGROUND:

The expansion of the Highway 401 corridor between King St. and Homer Watson Blvd. brings the highway closer to the Doon Valley Golf Course property line affecting holes 1 and 8 of the Classic 9-hole course. The Ministry of Transportation (MTO) has indicated their plans to re-open the westbound lanes of the 401 in June 2022. In its current configuration, the existing tree line separating the golf course from the highway will not provide adequate protection to prevent golf balls from entering the highway, so the golf course cannot continue to operate in the same manner.

Staff have been working with a consultant to redesign holes 1 and 8, and make some minor modifications to holes 2 and 7 to mitigate the risk of golf balls entering the highway. Until the work from this quotation is completed, holes 1 and 8 will be removed from play. The other seven holes of the "Classic" course will remain playable during construction.

REPORT:

Quotations were advertised publicly on the City of Kitchener website. Documents were downloaded by twelve (12) interested parties and by the closing date of Friday May 13, 2022, five (5) quotations had been received.

The following quotations were received:

		<u>Bid Price</u>	<u>Adjusted Bid Price</u>
236715 Ontario Inc.	Sutton, Ontario	\$752,009.37	N/A
North Gate Farms Ltd.	Campbellville, Ontario	\$874,381.01	\$499,943.64 *
Mianco Group Inc.	Stouffville, Ontario	\$1,064,262.26	\$662,241.02
Ritchfield Inc.	Guelph, Ontario	\$1,074,180.83	\$633,086.46
Flightline Golf Inc.	Waterloo, Ontario	\$1,291,871.37	\$764,160.96

236715 Ontario Inc. submission was not considered as they did not satisfy the Proof of Contractor Ability portion of the quotation, their submission was subsequently disqualified.

Due to the high initial bid price, the project scope was adjusted to reduce the amount of soil movement, the number of irrigation lines and heads and eliminated the need to expand the pond. The adjustment will not impact golf play or impact safety measures being implemented to offset the highway widening. The adjusted scope was applied equally across all bids resulting in the recommended award to the lowest compliant respondent, North Gate Farms Ltd.

The recommended award is above the existing funding available for the project. Given the significant importance of this project to the playability of the Doon golf course, staff recommend using the majority of Doon's 2022 existing capital balances plus the 2023 capital funding to complete the work prior to the 2023 golf season. Failure to proceed with the work now will impact golf play in 2023 with no anticipated savings gained by requoteing at a later date. Since 2019, staff have seen significant escalations on golf construction and maintenance costs, which pre-dates more general inflationary pressures from the pandemic.

The quotations were reviewed by B. Cheyne, Mgr Sport Development & Golf; T. Doering, Supervisor of Golf Grounds and K. Holmes, Director of MBTW Golf, the City's Consultant on the project, who concur with the above recommendation.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

The net cost for this quotation (A), is fair and reasonable for a purchase of this scope and the upset limit is within the budget allowance (B) provided within the budget. Funding for this quotation will be provided from existing golf capital accounts and the 2023 proposed capital funding. The estimated surplus (D) will remain within Golf to cover future capital expenses.

Q22-041**Doon Valley Golf Course Renovations****Estimated Cost for this Quotation**

Quotation Q22-041 including HST	499,943.64	
less: HST rebate	(57,515.64)	
Net Cost Being Awarded	442,428.00	A
Projected Costs: Staff Time/Permitting	-	
Total Estimated Cost for this Quotation	442,428.00	C

Budget for this Quotation

Existing Golf Capital less encumbrances	255,000.00	
2023 Capital Funding	195,000.00	
Total Budget	450,000.00	B

Total Estimated Surplus/(Deficit) (B-C)	7,572.00	D
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COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

There are no previous reports/authorities related to this matter.

APPROVED BY: Jonathan Lautenbach, Chief Financial Officer, Financial Services Department