



BOARD MEMORANDUM

TO: Gwyn Thomas FILE NO: 5000-178
FROM: Amir Nathoo DATE: October 27, 2009
SUBJECT: **Proposed Elevator Upgrade for
Carpark No. 15 at 37 Yorkville Avenue
Carpark No. 43 at 2 Church Street
Award of Construction Contract**

MEETING DATE: November 17, 2009

RECOMMENDATION:

To award the construction contract for the Proposed Elevator Upgrade for Carpark No. 15 at Yorkville Avenue and Carpark No. 43 at 2 Church Street to ThyssenKrupp Elevator for the amount of \$770,500 plus an additional amount of \$77,500 as contingency allowance; being the sum total amount of \$848,000 plus GST.

A. **BACKGROUND**

1. **Carpark No. 15** is located at 37 Yorkville Avenue, Toronto. The carpark is located between Yorkville Avenue and Cumberland Street. The parking garage has a commercial component on the east side which consists of restaurant, offices and village arcade besides Cumberland frontage, with retail space and connection to underground TTC. The parking garage provides 1036 parking spaces on seven above-grade and two below-grade parking levels. There are three elevators, two for the parking garage and one for the office tower. All three are mechanically-gearred cable elevators and made by Northern.
2. **Carpark No. 43** is located at 2 Church Street, south of The Esplanade. The garage was built in two phases over a number of years with Phase C-1 (west) being five levels above-grade and a City Home development above the garage. Phase C-2 (east) opened approximately ten years later. It has six above-grade levels. The entire garage is situated between Market Street on the east and Yonge Street to the west. This C-1 carpark has four (4) elevators in total on the west side of the structure. All four elevators are mechanically-gearred cable elevators and the make is by Northern.
3. Solucore Elevator Solutions (SES) was retained as the Elevator Consultant under Board Minute No. 09-70, dated May 27, 2009. The tender documents were designed and prepared by the consultant.
4. Four (4) elevator companies were invited. Three (3) tenders were received and are listed below in the ascending order without the GST.

| | | Carpark 15 | Carpark 43 | Total | Percentage |
|---|-------------------------------|-------------------|-------------------|--------------|-------------------|
| 1 | ThyssenKrupp Elevator (TKE) | \$339,500 | \$425,000 | \$764,500 | 100% |
| 2 | Kone Inc (KI) | \$379,390 | \$512,862 | \$892.252 | 116.71% |
| 3 | Schindler Elevator Corp (SEC) | \$520,096 | \$683.069 | \$1,203.165 | 157.38% |

5. The Consultant has reviewed the tenders and has prepared two reports. The first report dated September 27, 2009 provides information on:

5.1 Pricing and Analysis Details

5.2 Equipment and Payment Analysis Details

5.3 Clarifications and exceptions, qualifications submitted by all three bidders.

6. **Review of Tenders**

6.1 Pricing and Analysis Details Table

| | ThyssenKrupp | Kone | Schindler |
|--|-------------------------------|-------------------------------|--------------------|
| Base Price – 50 Cumberland | \$339,500 | \$379,390 | \$520,096 |
| Base Price – 2 Church | \$425,000 | \$512,862 | \$683,069 |
| Separate Price | | | |
| Interim Maintenance- Cumberland | \$375 per elevator | \$350 per elevator | \$380 per elevator |
| Interim Maintenance – Church | \$375 per elevator | \$350 per elevator | \$380 per elevator |
| Warranty Maintenance-Cumberland | \$1,125 | \$1,050 | \$1,140 |
| Warranty Maintenance – Church | \$1,500 | \$1,400 | \$1,520 |
| 5 Year Maintenance – Cumberland | \$1,155 | \$1,050 | \$1,174 |
| 5 Year Maintenance – Church | \$1,540 | \$1,400 | \$1,565.60 |
| New Hall Doors on Church Simplex Elevator | \$6,000 | \$5,109 | No bid |
| Schedule | | | |
| Drawings submittal | 28 days | 60 days | 28 days |
| Commence work | --- | 140 days | 133 days |
| Duration – Cumberland | Finish before October 1, 2010 | Finish before October 1, 2010 | Finish Feb 24/2011 |
| Duration – Church | | | |

Please note under item 6.1, the additional and separately quoted price for the new Hall Doors has been added.

6.2 Equipment and Payment Analysis Details:

| | Items | ThyssenKrupp | Kone |
|----------|----------------------------------|--------------|-----------|
| 1 | <i>Tenders</i> | | |
| .1 | Base Bid CP 15 | \$339,500 | \$379,390 |
| .2 | MOL compliant guarding | Included | \$10,500 |
| .3 | Base Bid CP 43 | \$431,000 | \$517,971 |
| .4 | MOL compliant guarding | Included | \$14,000 |
| | Total Tender | \$764,500 | \$892,522 |
| 2 | <i>Payments Required</i> | | |
| .1 | With Letter of Intent | 25% | 0% |
| .2 | When Shop Drawings received | 10% | 0% |
| .3 | When Shop Drawings approved | 5% | 0% |
| | Sub-total | 40% | 0% |
| .4 | When materials delivered on site | | 25% |
| .5 | When completion of work CP15 | | 75% |
| | When completion of work CP43 | | 75% |
| .6 | Monthly labour progress billing | 60% | N/A |

6.3 Qualifications and Clarifications

The Consultant's report recommended a post-tender meeting with the two low bidders to remove some of the more onerous qualifications. The qualifications related to ride quality and equipment performance. The assumption being that both companies are equally responsive to our request that certain qualifications be dropped to facilitate the award to the low bidder. The following qualifications were provided at the post-tender meeting:

- .1 Kone Elevator, the second low bidder's eight qualifications were reduced to four:
 - a) Kone's bid is based on modernizing both sites at the same time with one crew at each site.

- b) Kone has requested payment terms of 25% on delivery of materials to the site, 25% on completion of each elevator at Cumberland Street, 20% per elevator at 2 Church Street. All payments subject to a 10% holdback.
 - c) Kone's bid does not include MOL compliant machine guarding but this can be supplied at an additional cost of \$3,500 per elevator or \$24,500 for seven elevators.
 - d) Kone will provide ECCI dot matrix indicators. This is more of a clarification than a qualification.
- .2 ThyssenKrupp, the low bidder, had three qualifications; one of them was very stringent for TPA to accept.
- a) Thyssen have existing maintenance contract with TPA. If Thyssen is not successful bidder, they will reserve their rights.
 - b) Thyssen has requested payment terms of 25% upon letter of intent, 10% upon delivery of approval drawing, and 5% upon completion of engineering and release for manufacturing; the balance billed monthly labour progress billing.
 - c) Thyssen's bid is void of Sec 1.37 and any references to financial penalties.
- .3 The payment terms, as stipulated by ThyssenKrupp (TKE), were not acceptable to TPA. A further discussion was held with Thyssen. ThyssenKrupp, in their letter dated October 22, 2009, have clarified their qualifications as follows:
- a) Qualification Removed and or Clarified
 - i) As specified, TKE to conform to Payment Schedule (Sec. 1.8)
 - ii) TKE will take responsibility for coordination of schedule(s) with their cab interior sub-contractor.
 - iii) TKE will perform the ride quality analysis as per Sec. 1.22.
 - iv) TKE will comply with the as-noted Door Operation (Sec 6.2) and Motion Control (Sec. 6.6) parameters, as specified.
 - v) TKE will provide supplementary manuals and documentation on CD ROM.
 - b) Qualification Maintained by TKE

They have maintained the following qualifications:

 - i) TKE reserves all rights to any existing maintenance contracts and their terms and conditions.
 - ii) Substantial completion and total performance shall be defined as the date and time that each group of elevators has been TSSA inspected, passed and returned to public service/public use, subject to TPA Consultant's inspection within 5 days following TSSA inspection of each car.

- iii) TKE's bid is void under Article 1.37 Modernization Flow Chart Schedule items 1.37.2, 1.37.4 and 1.37.5 which deal with penalties for failure to complete on time.
- c) The above qualifications have been reviewed with the Consultant on October 27, 2009:
 - i) Item 6.3.b) i) under the current maintenance contract, there is a provision of three month payment in lieu of termination; however, we feel we can negotiate the provision since the contract is awarded to them.
 - ii) Item 6.3.b) ii) – This seems to be a reasonable request as the elevator is put into use, and the contract is for a longer duration due to phasing of work.
 - iii) Item 6.3.b) iii) – This seems to be a reasonable request because the contract does not offer a similar reward for earlier completion.
- 7. We concur with the Consultant to award the construction contract for the Proposed Elevator Upgrade to ThyssenKrupp Elevator.

B. FINANCIAL BACKGROUND

| | | | |
|-----------|--------------------------------------|------------------|--------------------|
| .1 | Funds available under Capital Budget | | |
| a) | Carpark No. 15 | \$600,000 | |
| b) | Carpark No. 43 | \$800,000 | |
| | Sub-total | \$1,400,000 | \$1,400,000 |
| .2 | Consulting Fees | | (\$22,000) |
| .3 | Construction | | |
| a) | Tender CP#15 | \$339,500 | |
| b) | Tender CP#43 | \$431,000 | |
| | Sub-total | \$770,500 | (\$770,500) |
| c) | Contingency CP#15 | \$34,000 | |
| d) | Contingency CP#43 | \$43,500 | |
| | Sub-total | \$77,500 | (\$77,500) |
| .4 | Balance of Funds | | \$530,000 |

Amir Nathoo

Attachments: