

Subject: 2025-T-9 Award of Tender - New Niagara Regional Police Services (NRPS) D3 NG911 Stand Alone Back Up Facility, 5 Lincoln St. Welland, ON

Report to: Corporate Services Committee

Report date: Wednesday, April 9, 2025

Recommendations

1. That CCDC-2 Stipulated Price Contract 2025-T-9 New NRPS D3 NG911 Stand Alone Back Up Facility **BE AWARDED** to the lowest compliant bidder, 1320376 Ontario Ltd. (GEN-PRO), at their bid price of \$10,605,728 (including 13% HST); and
2. That the gross capital budget for the 911 Backup Rationalization **BE INCREASED** by \$1,363,017 and that the increase **BE FUNDED** as follows:
 - Capital Variance Project – Levy - \$900,000
 - Provincial Grants - \$463,017
3. That the Regional Chair and the Regional Clerk **BE AUTHORIZED** to execute a CCDC-2 Stipulated Price Contract between Niagara Region and 1320376 Ontario Ltd. (GEN-PRO), in a form satisfactory to the Director, Legal and Court Services.

Key Facts

- The purpose of this report is to:
 - Seek Council's approval to award a contract to the lowest compliant bidder, 1320376 Ontario Ltd. (GEN-PRO) for construction of the New NRPS D3 NG911 Stand Alone Back Up Facility located at 5 Lincoln Street, Welland, at the submission price of \$10,605,728 (including 13% HST); and,
 - Seek Council approval to increase the gross capital budget for Project 20001271 (911 Backup Rationalization) by \$1,363,017, with \$900,000 funded from the Capital Variance Project (CVP) – Levy and \$463,017 funded from Provincial Grants.
- A public tender process to seven pre-qualified general contractors was issued in January 2025. 1320376 Ontario Ltd. (GEN-PRO) is the lowest compliant bidder at a bid price of \$9,385,600 (excluding 13% HST).
- Council approval is required for tender awards greater than \$5,000,000, in accordance with the Procurement By-law 02-2016, as amended.

- The increased gross capital budget is required to address inflationary pressures and increased consulting scope.
- As set out in the Budget Control By-law 2022-80 as amended, Council approval is required for Capital Variance requests greater than \$250,000.

Financial Considerations

Council approved \$8,760,000 in the 2021 Capital Budget for design and construction of the Back Up 911 Facility (Project 20001271) and \$4,600,000 for the NRPS Next Generation (NG) 911 Dispatch infrastructure and equipment (Project 20001462) that would be housed in the new facility. As the design evolved, NRPS and Region Staff recognized that greater efficiencies would be realized by procuring the full construction scope under a single contract. On April 27, 2023, Niagara Police Services Board approved transfer of capital project funds in the amount of \$3,024,000 from NRPS Project 20001462 to Project 20001271. This resulted in a revised total capital budget of \$11,784,000 for the design and construction of the facility.

The cost of the construction tender award is \$9,550,805 (including non-recoverable HST). To accommodate this tender award and ensure adequate funds for the full remainder of the project, the overall capital project budget will need to increase by \$1,363,017 for a total budget of \$13,147,017. The increase will be funded with \$900,000 from Capital Variance Project – Levy and \$463,017 from Provincial Grants. As of March 17, 2025, the Capital Variance Project – Levy has an uncommitted balance of approximately \$4,513,134 and can accommodate this request.

The budget increase of \$1,363,017 incorporates increases in the original budget lines for construction and consulting, as well as redistribution of budget across specific project elements (Permitting, Furniture, Fixtures and Equipment and Project Management (In-House) and Operations). COVID-driven supply constraints and high monetary inflation have driven the increase for construction costs. Redesign of the facility to implement several space saving and value engineering opportunities have driven the increase for consulting and project management costs.

The Region successfully applied for Provincial Grants of \$463,017 to directly fund consulting for the technology upgrades related to NG911. This funding allowed the Region to reduce the levy funded increase required in the project.

A full breakdown of costs can be found in Appendix 1 to Report CSD 11-2025 – Total Estimated Project Costs.

Analysis

Over the past several years, while NRPS and Niagara Region worked through the schematic and detailed design phases, the surrounding construction sector saw significant cost increases in both labour and materials. COVID-driven supply constraints, high monetary inflation, and now the risk of tariffs have all played a role. As the design phase progressed, periodic cost estimates by the Prime Consultant, AECOM, indicated the need to reduce the overall size of the facility to realign with the project budget. AECOM's scope was increased to redesign the facility and work collaboratively with Region and NRPS staff to implement several space saving and value engineering opportunities. Examples include multiuse rooms and alternate material selection. At the conclusion of the design phase, all cost-reduction opportunities were exhausted to the extent that any further reduction would have a direct negative impact on the delivery of 911 dispatch services.

A Request for Prequalification (RFSQ) of General Contractors "2022 – RFSQ- 218 - Request for Supplier Qualifications – Niagara Regional Police Service (NRPS) D3 Back Up 911 Location – General Contractor Prequalification" was issued through Region Procurement on January 31st, 2023. The RFSQ closed on March 2nd, 2023 with the Region receiving a total of thirteen (13) submissions. A three (3) member evaluation committee, with representation from Construction Energy and Facilities Management (CE&FM) and the project's Prime Consultant, AECOM, was formed to review the RFSQ submissions. The evaluation process was overseen and coordinated by a representative from Procurement. Seven (7) general contractors met the minimum benchmark score and were successfully pre-qualified for the New NRPS D3 NG911 Stand Alone Back Up Facility - 5 Lincoln St. Welland ON.

The list of pre-qualified general contractors is identified below.

- Aquicon Construction Co. Ltd
- Atlas Constructors Inc.
- Collaborative Structures Limited
- 1320376 Ontario Ltd. (GEN – PRO)
- M.J. Dixon Construction Limited
- Merit Contractors Niagara Ltd.
- 1014542 Ontario Limited (TRP Construction General Contractors)

On January 30th, 2025, the Region issued Request for Tender 2025-T-9 New NRPS D3 NG911 Stand Alone Back Up Facility to the seven (7) prequalified general contractors

on the Region roster. At tender close, the Region received bids from six (6) of the seven pre-qualified general contractors. Upon review of the mandatory submission requirements by Procurement, five (5) of the six bids were deemed to be compliant.

A summary of the tender results is presented in the table below (excluding HST). All bids include a 5% construction contingency.

Bidder	Tender Price	Rank
1320376 Ontario Ltd. (GEN – PRO)	\$9,385,600	1
Merit Contractors Niagara Ltd.	\$9,706,480	2
M.J. Dixon Construction Limited	\$10,006,150	3
1014542 Ontario Limited (TRP Construction General Contractors	\$10,742,200	4
Atlas Constructors Inc.	\$10,937,500	5
Collaborative Structures Limited	Sealed	6

1320376 Ontario Ltd. (GEN-PRO) was the low bidder, submitting a tender price of \$9,385,600 (excluding HST). All five compliant bids were within \$1,551,900 (excluding HST) or 14% of one another. The narrow range in pricing is indicative of a common understanding of the project requirements amongst the bidders and illustrates a competitive bidding process.

The low bid was higher than the anticipated construction cost identified in the pre-tender estimate. The increased costs are likely a result of contractors building higher risk into their bids due to the ongoing volatility in the construction market, supply chain issues and material price increases.

Alternatives Reviewed

Responding to information gathered from progressive construction cost estimates throughout the design phase, the project team carried out a series of value engineering sessions to reduce construction costs. Several refinements were incorporated into the design to achieve savings and the final building design features an optimized and efficient layout, incorporates durable yet cost effective building materials, meets post disaster design requirements, and provides the functionality required of an emergency NG911 back up facility.

Given the extensive value engineering conducted throughout the design process, any further cost-saving or scope reduction would negatively impact operational efficiency,

shorten the lifespan of building components, and increase annual facility operation costs. As such, the project team is recommending that no further reductions be made.

Relationship to Council Strategic Priorities

Strategic Priority 01 – An Effective Region

- Implement continuous improvement and modernized processes to ensure value-for-money in Regional services and programs.
- Deliver fiscally responsible and sustainable services.

Strategic Priority 02 – A Green and Resilient Region

- Deliver operations and services in alignment with the Region's greenhouse gas emission target and climate change goals.
- Build resiliency into our Regional infrastructure to support growth and prepare for the impacts of climate change.

Other Pertinent Reports

- [CSD 4-2017](#) Corporate Services Committee November 29th, 2017

(https://niagararegion.escribemeetings.com/Corporate%20Services%20Committee_Nov29_2017/Pages/VisitorView.aspx?itemID=15)

- [CSD 22-2020](#) Corporate Services Committee March 11th, 2020

(https://niagararegion.escribemeetings.com/Corporate%20Services%20Committee_Mar11_2020/Pages/VisitorView.aspx?itemID=25)

- [CSD 58-2020](#) Budget Review COTW October 15th, 2020

(https://niagararegion.escribemeetings.com/Budget%20Review%20Committee%20of%20the%20Whole_Oct15_2020/Pages/VisitorView.aspx?itemID=13)

- [CSD 1-2022](#) Corporate Services Committee January 12th, 2022

(https://niagararegion.escribemeetings.com/Corporate%20Services%20Committee_Jan12_2022/Pages/VisitorView.aspx?itemID=13)

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- [NRPS](#) NRPS Police Services Board Report April 27th, 2023

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Appendices

Appendix 1 Total Estimated Project Costs

Total Estimated Project Cost
911 Backup Rationalization

Appendix 1
CSD 11-2025

Total Estimated Project Cost (20001271)*	Council Approved Budget	Proposed Budget Adjustment	Revised Council Approved Budget	Expended & Committed as of 01/07/24	Contract Award/ Forecast	Budget Remaining
Project Element	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C) - (D) - (E)
(a) Construction (including Construction Contingency and 1.76% non-recoverable HST)	9,231,000	319,805	9,550,805	8,086,186	1,464,619	-
(b) Project Contingency	776,000	(195,855)	580,145	-	580,145	-
(c) Property Acquisition	-	-	-	-	-	-
(d) Consulting Services	531,000	1,065,017	1,596,017	1,298,933	297,084	-
(e) Permitting	-	19,000	19,000		19,000	-
(f) Furniture, Fixtures and Equipment	-	107,000	107,000	-	107,000	-
(g) Project Management (In-House) and Operations	246,000	276,000	522,000	277,545	244,455	-
(h) Phase 1 Relocation Costs	1,000,000	(227,950)	772,050	772,050	-	-
Total Estimated Project Cost	11,784,000	1,363,017	13,147,017	10,434,714	2,712,303	-

General Capital Levy	(1,000,000)	-	(1,000,000)	(1,000,000)	-	-
Provincial Grants	-	(463,017)	(463,017)	(208,730)	(254,287)	-
Debt	(10,784,000)	-	(10,784,000)	(3,024,000)	(7,760,000)	-
Capital Variance - Levy	-	(900,000)	(900,000)	-	(900,000)	-
Total Project Funding Sources	(11,784,000)	(1,363,017)	(13,147,017)	(4,232,730)	(8,914,287)	-

*All costs include 1.76% non-recoverable HST

** Total Contract Award is equal to i) \$9,385,600 before tax; ii) \$9,550,805 including 1.76% non-recoverable HST; iii) \$10,605,728 including 13% HST