



General Contractors Association of Ottawa Newsletter

Building a Greater Ottawa

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President's Note Joshua Laginski, GCAO President



This year's Annual Golf Tournament with a theme to recognize the GCAO's past presidents was a resounding success with 46 golfers taking to the green in the traditional shotgun format.

In attendance were past presidents Michael Assal (Taplen Construction) and Michael Nicolini (Nicolini Construction).

Hosted at the beautiful Club de Golf Gatineau in Aylmer, golfers enjoyed morning coffee and complimentary boxed lunch. Drinks on the course and at the before dinner reception were compliments of the Association to ready hungry members to a delicious plated dinner.

Best Score honours was awarded to Waterdon Construction while Frecon Construction proudly accepted the Most Honest Golfers award.

Thank you to all of those who participated.

Call for
project pics
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website

Upcoming Board Meetings:

September 26th, 2014
October 31st, 2014



City Consultations on Vendor Performance

The GCAO met with the City of Ottawa with regards to the Vendor Performance Management System that they will be implementing in early 2015.

The system will track performance on each project that a firm has with the City of Ottawa and will be managed online enabling any firm to access the posted information. Evaluations will be based on Quality Control, Safety, Customer Service, Costs and Schedule.

The first phase of this program will be for information purposes only but the City of Ottawa has highlighted that it may become an evaluation tool for tender awards in approximately 3-4 years' time. The intent is to provide the City with documentation to allow them to determine best value for their citizens during a tender award process.

In July, after collecting ideas and opinions from the membership, the GCAO sent a letter highlighting the following concerns:

FEEDBACK



Contractor Feedback: The membership would like to see a section in the system that allows the contractor to provide some feedback on their experiences working with the project management and design team. The intent is to allow the Contractor to provide the City of Ottawa with valuable information about the design and management team that could improve future project performance.

Cost Control Evaluation: Our Members have concerns about how changes will be dealt with and how it will affect their scoring. From our meetings, it was discussed that any agreed cost increase or time extension would not have a negative impact in the scoring evaluations since they were documented and approved during the construction process. However, the consultants are being evaluated under the same system as the contractor and there is some concern that since the consultant is the interpreter of the contract they would not approve some costs or extensions in time that would reflect negatively to their own score. Any errors or omissions in the design document would be an area of conflict and would require the City Project Manager to decide on what is fair and reasonable.

Appeal Process: The GCAO was very glad to see that this was added to the VPM system and we would like to see more formal interim reporting throughout the construction process so that if a contractor does ask for Senior Management to review the final score there would be formal documentation throughout the project that would allow Senior Management to review the case file and make an informed decision as to if the final score is reasonable.

Scoring Process: The evaluation process appears to be quite challenging to obtain a perfect score. For example, if a contractor completes a project on time they would only get partial marks since a perfect score in the schedule category would be a project that was delivered ahead of schedule. The GCAO suggest that meeting the contractual terms of the contract should be a basis to obtaining a perfect score in any particular area.

Tender Award Process: The bid evaluation formula may not give the City the best value as intended due to the weight given to the low bid in relation to the second bidder. A bidder can easily submit a very low bid in order to ensure that the points awarded for the price portion will always outweigh the bidder's project performance scores.

Threshold for Application: The GCAO suggests that a threshold be set as to when the VPM will be utilized. As a suggestion, any projects under \$50,000.00 would not utilize the VPM due to short duration of the project.





Tendering Practices Still in the news

Queensway Carleton Hospital – The GCAO met with the Queensway Carleton Hospital and discussed why the evaluation criteria were changed after the proposals were submitted. The resulting conversation with the Hospital revealed that the Hospital had decided to limit the evaluation to only the references portion in hopes of getting representation on how each firm did on past hospital projects. The references portion was anonymous so their hopes were that they would get unbiased and real feedback. The Hospital did recognize that they should have been upfront about the changes but that their intentions were only to obtain the best possible candidates. The Hospital did recognize that their prequalification process is a work in progress and are looking for feedback from the GCAO as to how they can better implement it for future projects. The GCAO's main goals are to ensure transparency in the evaluation process and the GCAO feels that some of the questions that the references were asked could not have been answered thus skewing the overall results. The GCAO is currently reviewing the information and will provide some additional feedback to the Hospital this fall.

Health Canada Post - Qualification Concerns – The GCAO met with the tendering authority at Health Canada and informed them of the memberships concerns with the use of post-qualification procedures. They were receptive to the information and will try to develop a system that does not utilize post-qualification. Health Canada is trying to perform their own due diligence for their clients and they don't have time to complete a pre-qualification due to the limitations of tender notice under the Free Trade Agreement. Health Canada only tenders project under 400k themselves and that there are 3 projects coming out in the near future that will utilize this same post-qualification system but they will try and change the system in the near future.

Glebe Parking Garage

March 4, 2014 - GCAO letter sent to City of Ottawa outlining member concerns about unrealistic project timeline and associated liquidated damages, in the amount of \$1,950/day, associated with late completion. Request was made to reduce award period from 60 days to 30 days, to extend schedule timeline and to eliminate liquidated damages.

March 6, 2014 – City of Ottawa inquires about reasonable timeline for schedule

March 6, 2014 – GCAO replies that 8 ½ month construction schedule is reasonable

Mid March 2014 – Project is cancelled over OMB challenge from neighbouring property owner as well as schedule concerns

April 18, 2014 – Ottawa Citizen Article, Councillor David Chernushenko states that “...initial timeline was overly optimistic...”, “A third party review of the garage project found the six month construction timeline was too short by at least a few months...” and “On the other hand, I am much happier with a realistic timeline.”

South March School Addition

April 14, 2014 – GCAO letter sent to N45 Architecture outlining concerns regarding SGC's related to: \$150,000 contingency allowance being used to offset the first \$150,000 worth of Change Orders without O/H & P to contractors, Allowable O/H & P on changes up to \$15,000 being 10% for subcontractors and 5% for GC's, Allowable O/H & P on changes in excess of \$15,000 being 5% for subcontractors and 3% for GC's. In net decrease changes over \$15,000, a deduction for O/H & P was requested.

GCAO requested that the contingency allowance from cash allowances allocation be removed and assigned owner's internal budgeting. A request was also made to revise allowable O/H & P to more reasonable industry standards and examples were provided. A final request was made to remove any requirement for deduction of O/H & P on net decrease change orders.

On April 22, 2014 – Addendum # 1 was received with the following SGC revisions:

Allowable O/H & P on changes up to \$15,000 increasing to 15% for subcontractors and 10% for GC's, Allowable O/H & P on changes in excess of \$15,000 increasing to half the rates as stated above (7.5% and 5%)

The GCAO met with the OCDSB in July to discuss the use of the contingency allowance in greater detail and the OCDSB stated that it was not their intent to apply the contingency allowance in this way and they have never done it in the past. The OCDSB will be meeting with the other school boards to discuss the provinces standardized SGC's and how the OCDSB can improve on what they currently have. If future projects are issued with similar mark-ups and limitations with regards to the contingency allowance please bring them to the attention of the GCAO immediately. The OCDSB said that they would be receptive to hearing about these kinds of issues and will work with the GCAO to improve the SGC's on future projects.

Theatre La Nouvelle Scene

GCAO send a letter to Saucier + Perrotte architects on July 15, 2014 outlining the following concerns:

Allowable mark up's on changes were unacceptable:

| Scale (Cost of Work) | Performing Trades M/U Mark-up (%) | Supervising Trades M/U Mark-up (%) |
|-------------------------|--------------------------------------|---------------------------------------|
| 0 – 1,100 | 15 | 10 |
| >1,100 – 5,000 | 10 | 7.5 |
| >5,000 – 50,000 | 7.5 | 5.0 |
| >50,000 | 5.0 | 3.0 |

Requested simplifying tender form and that excessive supplementary information be submitted within 48hrs of initial tender close.

Concerned about subjectivity and lack of transparency associated with Instruction to Bidder section 00200 item 1.6.2 Bid Ineligibility which stated “ *the Owner reserves the right to accept or reject any and all Bids, including the lowest Bid, and to award the Contract to the Bidder which the Owner, in its discretion, deems the most suitable for the project. The Owner further reserves the right, in its discretion, to accept or reject any Bid which in the Owner's view in incomplete, obscure, qualified or irregular or which has erasure or corrections or omits any of the elements required by theses Instructions to Bidders*”.

GCAO noted that all General Contractors invited to submit a tender have been prequalified for this project – therefore all are suitable.

The Architect responded back to our letter and followed up with the following: Addendum # 4 extended supplementary bid submission to 2 hours after initial tender close. Addendum # 5 simplified the allowable O/H & P to 15% for performing contractor and 10% for GC or supervising contractor.

In addressing our concern about subjectivity and lack of transparency with section 00200 item 1.6.2 Bid Ineligibility, the Architect noted that the term “Qualified” referred to the bid itself and they would not be making modifications.

Post Tender Qualification

Despite objections from GCAO and OCA, Owners are still issuing tenders with Post Qualification (2 envelope submissions). GCAO sent letters out to the following 3 purchasers but received back only very vague generalities.

June 23, 2014 letter sent to Conseil Des Ecoles Catholiques Du Centre-Est regarding New Fernbank School.

June 30, 2014 letter sent to National Capital Commission regarding 161 Middle Street, Victory Island – Level 3 Roof Replacement.

July 10, 2014 letter sent to Ottawa MacDonald-Cartier International Airport Authority regarding Delta Park Upgrade.

PWGSC Usage of Post-Qualification – The GCAO recently met with the tendering authority at PWGSC to discuss Post-Qualification in greater detail. This was a follow up meeting to the meeting that the GCAO held in January with regards to the War Memorial tender. PWGSC is aware of the concerns that the GCAO had with Post-Qualification and is going to check with their legal department as to how they can get around the notice requirements under the free trade agreement.

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CALL FOR ENTRIES – Don Chutter Meritorius Achievement Award

Your **GCAO** is looking for entries for this year’s 3rd biennial General Contractors Association of Ottawa Awards. The awards inaugurated in 2011 recognize excellence and merit and will feature the Don Chutter Meritorius Achievement Award presented to that general contractor whose efforts most improved quality of life in Ottawa.

Entries are judged by a distinguished panel of industry experts including peers, engineers, architects and owners alike not currently engaged in general contracting.

This is a great opportunity to toot your own horn or better yet nominate your colleague! A Call for Entries and Intent to Submit form are attached to this newsletter.

Hurry! Deadlines are fast approaching. Intent to submit forms are due by September 30th and final submission by December 12th.



What's in a name??? Well, if you haven't surfed the new GCAO website what are you waiting for? The new site boasts fresher content, easier to navigate environment and is more mobile friendly than ever before!

Send along your project pics to help populate the site with local content or better yet, send along suggestions and ideas of what you want to see on the site. Your GCAO wants to know!



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Michael Nicolini

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