



# CCGC MECHANICAL AND SPRINKLER REPLACEMENT PROJECT

A regional procurement story



# OVERVIEW OF THE PROCUREMENT CHALLENGES

- Development of the requirement / Greening Technology
- Indigenous Engagement
- TB Submission
- Solicitation using Indigenous Benefits Plan requirement
- Challenges during the solicitation





# OVERVIEW OF THE CAMPUS AND THE NEED

- 120 acre campus built in 1981
- Exclusive officer training facility for Canadian Coast Guard cadets
- 4 year program trains approx. 175 officers annually – marine engineering & marine navigation
- Full time staff – 175
- Marine Communications Traffic Services – 24/7 operation
- CANSARP – Search and Rescue Planner continually gathering live data for modeling
- Recent work: solar wall, roof replacement, boilers replacement, pool reno, fire access roads



# OVERVIEW OF THE CAMPUS AND THE NEED

- Existing air handling system over 30 years old – no A/C
- Dry sprinkler system deemed unlikely to function adequately in event of a fire





# DESIGN

- Spring 2015 – RFP tender for design
- Nov 2015 – Contract award for design to M&R Engineering
- Design for:
  - Midlife mechanical and sprinkler systems upgrades
    - Including the replacement of the original HVAC and controls systems,
    - Replacement of the dry sprinkler system
  - Introduction of green technologies like sea water heating and cooling exchange.



# PROJECT REQUIREMENTS

- Replace mechanical and sprinkler systems
- Use seawater intake for geothermal heating/cooling
- Extend the college life expectancy for at least 25 years
- Transition campus towards low-carbon and climate resilient operations
- Reduce campus greenhouse emissions by 21%

College must remain fully operational during 4+ year construction









# INDIGENOUS ENGAGEMENT

- Engaged with MEBONS – Mi'kmaw Economics Benefits Office of NS
- Regular calls starting Oct 2017
  - Discuss project and potential opportunities for community
  - Community objectives and capacity
  - Hiring/recruitment plans
  - Reporting requirements
- Grasp the communities wants and capabilities – make attainable goals
- Reviewed other Indigenous benefits requirements from all levels of government
- Shared draft of bidder requirement for feedback
- Had MEBONS listed as a resource for bidders – attended site visit



# INDIGENOUS BENEFITS PLAN REQUIREMENT

- Bidders are required to provide an engagement outline of their Indigenous Benefits Plan, highlighting the following mandatory criteria
  - Identify Indigenous Coordinator – experience/qualifications, anticipated role
  - Indigenous Engagement Plan – how to engage Indigenous workforce and recruitment
  - Indigenous skills development plan – how the bidder & subs intend to provide skill development; expected out towards apprenticeship's earned
  - Indirect Indigenous benefits – benefits anticipated to the community outside of on-the-job training/skills development including Indigenous subs and suppliers



# TREASURY BOARD SUBMISSION

- Initial Engagement Meeting in May – while design was finalizing
- Early Engagement Note – June 2018 – while tender being released
- Draft Submission – June - Nov
- Appendices – Cash Flow (July-Aug), Risk (Aug-Sept), GBA+ (Sept)
- Corporate Review – Sept
- TBS Substantive Review – Oct 15<sup>th</sup> 27 Qs, responses in 4 days
- Justify to keep on Fall Calendar – Oct 22<sup>nd</sup>
- 92 new questions on Oct 24<sup>th</sup>
- Full translated submission sent up Nov 9<sup>th</sup>
- 13<sup>th</sup> of Dec, TB approval received to award

# CONSTRUCTION TENDER

- 2 Envelope Invitation to Tender – issued June 19<sup>th</sup> – closing Aug 21<sup>st</sup>
  - 1<sup>st</sup> Envelope – IBP
  - 2<sup>nd</sup> Envelope – Lump Sum Price
  - SOW – over 700 drawings
- Identified risks to tender
  - Small bidder pool – location, size
  - A lot of risk to bidders – degree of unknown to be reflected in price
  - No flexibility to tender period – 63 days
  - Communications

# RISK RESPONSE

- Small bidder pool – location, size
  - Cannot change
- A lot of risk to bidders – degree of unknown to be reflected in price
  - Substantial completion – per building
  - Phasing is complex, space is limited – laydown area, warehouse, moving contract
  - Site visit presentation and logistics – limit persons per firm
- No flexibility to tender period – 63 days
  - Made clear of requirement in tender doc and at site visit
- Communications
  - Sharepoint hosting Excel Questions Tracker



# TRUMP'S TWITTER TRADE WAR

- March 2018 – Trump imposed tariffs on steel (25%) and aluminum (10%)
  - Canada imported \$7.2B USD steel, \$4.3B USD aluminum in 2017



**Donald J. Trump** ✓  
@realDonaldTrump



Based on Justin's false statements at his news conference, and the fact that Canada is charging massive Tariffs to our U.S. farmers, workers and companies, I have instructed our U.S. Reps not to endorse the Communique as we look at Tariffs on automobiles flooding the U.S. Market!

♡ 121K 8:03 PM - Jun 9, 2018



💬 60.8K people are talking about this



July 1, 2018 –  
Canada imposed  
matching tariffs

# TRUMP'S TWITTER TRADE WAR

- Timeline:
  - March – US tariffs
  - June – tender documents, TB early engagement, Trump tweets
  - July – Canada tariffs, site visits
  - Aug – tender closing
- Markets went into chaos. Steel prices held for only 7 days. 96,000 feet
- Emphasis on existing clauses that account for price changes related to tariffs



# BID CLOSING

- 2 bids received – both technically compliant
- Prices were within \$1.2 M of each other
- Low bid of \$46,642,535 + HST
- Bid validity of 150 days to allow for TB process
- Neither bidder knew the results until TB approval was given
- Update all the financials of the TB doc – cash flow tables
- Award Dec 13<sup>th</sup>





# LESSONS LEARNED

- TB process is a huge strain due to schedule overlap
  - Need a support system and good communication with team and bidders
- Indigenous engagement is a process that takes time to develop relationship and understand either other
  - No single approach – need to customize to situation
- Large procurements in general need collaboration
  - Predict risks and have responses ready before bidders ask
  - Plan the site visit around the space



Questions?