

Report FR-CC-18-16

To: Warden Barfoot and Members of Grey County Council
From: Anne Marie Shaw, Director of Housing, Kevin Weppler, Director of Finance and Mike Alguire, Purchasing and Materials Manager
Meeting Date: June 7, 2016
Subject: Award of RFT-FIN-01-16 Administration Building Addition and Alterations
Status: Recommendation adopted by Council as presented per Resolution CC74-16 June 7, 2016;

Recommendation(s)

WHEREAS the 2016 budget included \$11,990,700 for a 36,000 square foot addition and alterations to the existing Grey County Administration Building;

NOW THEREFORE BE IT RESOLVED THAT Report FR-CC-18-16 being a report containing the tender results for RFT-FIN-01-16 be received;

AND THAT RFT-FIN-01-16 be awarded to Devlan Construction Ltd. for a bid price of \$10,643,000, excluding HST;

AND THAT a \$250,000 contingency for items required relating to Site Plan Approval, be added to the tender price, for a revised estimated project cost of \$10,893,000 excluding HST;

AND THAT the Warden and Clerk be authorized to sign all documentation necessary to complete the contract between the County of Grey and Devlan Construction Ltd.;

AND FINALLY THAT a borrowing by-law be prepared authorizing the self-financing of the addition and alterations to the County Administration Building.

Background

On February 2, 2016 a Build Committee Presentation was given to Grey County Council to provide the reasons for the proposed addition and renovation to the Administration

Building. The presentation provided details on the proposed addition, the site plan, and renovations to the existing building.

County Council authorized the Grey County Building Task Force to proceed to tender the addition and renovation of the Administration Building.

The building will provide:

- a barrier free community friendly space improving customer service,
- meet provincial standards for POA courts,
- repair aging building issues,
- increase the lifespan of the current building, and
- provide a safe and healthy environment for staff and visitors.

The Grey County Building Task Force authorized The Ventin Group to prepare the final detailed construction drawings, the necessary tender documents and proceed with the tender of the addition and renovation. The results of the tender are being presented in this Report FR-CC-18-16 for County Council’s consideration.

The County advertised the opportunity for General Contractors to prequalify for this tender in the Daily Commercial News and on the Grey County website. The prequalification document was issued on March 14, 2016 and closed on March 24, 2016. The County received 26 submissions from General Contractors looking to prequalify, with 15 passing. The County’s architectural consulting firm, The Ventin Group, issued the tender documents to the prequalified bidders on April 21, 2016. The County held a bidders’ meeting on Thursday April 28, 2016 with 13 contractors in attendance. The tender closed on May 19, 2016. The results are listed in the following chart.

RFT-FIN-01-16 Administration Building Addition and Alteration

Name of Bidder	Total Bid Amount (Excluding Taxes)
Devlan Construction Ltd.	\$10,643,000
Melloul-Blamey Construction	\$10,659,000
Collaborative Structures Ltd.	\$10,700,000
Percon Construction Inc.	\$11,120,000
M.J. Dixon Construction Ltd.	\$11,273,000
Hayman Construction Inc.	\$11,515,000
Allen-Hasting Limited	\$11,741,900
Century Group Inc.	\$11,750,000

Name of Bidder	Total Bid Amount (Excluding Taxes)
Harbridge & Cross Ltd.	\$12,500,000

It is recommended to award RFT-FIN-01-16 to Devlan Construction Ltd for their tendered price of \$10,643,000.

In addition to the work covered in the tender, there are budgeted maintenance items that have been deferred pending a decision on the renovation and expansion of the Administration Building. These items, such as painting the Administration Building and paving the existing parking lot, need to be detailed further by staff and will be brought forward in a future report that will provide recommended procurement method(s) and funding sources for Council consideration.

Financial / Staffing / Legal / Information Technology

Considerations

The February 2, 2016 budget analysis provided to Council had estimated a total building project cost of \$13,348,000. This included construction costs, architect and other client fees. The estimated construction cost contained in the \$13,348,000, was \$12,201,736 (\$11,990,700 plus non-refundable HST). That estimate of \$11,990,700 was based on the Class D Estimate that had been completed by the firm of Hanscomb.

Based on a total building project cost of \$13,348,000, taking into account the allocation of reserve and development charges funding, financing requirements of \$9,828,905 had been estimated which would require an annual payment of \$816,204.

Projected Actual Project Cost

Using the prices contained in the tender results RFT-FIN-01-16, plus a \$250,000 contingency for items that may be required relating to Site Plan Approval, a total project cost of \$12,123,278 is projected.

To detail the total project cost and to provide a comparison to the estimated budget, the following table is provided.

Projected Cost based on RFT-FIN-01-16 Tender Results

Service	Estimated Budget	Projected Actual Budget
Construction Cost	\$12,201,736	\$10,830,317
Site Work Contingency	\$0	\$254,400
Architect Services	\$1,009,143	\$901,439
Client (Grey County) Fees	\$137,122	\$137,122
Total Estimated Project Cost	\$13,348,000	\$12,123,278

Service	Estimated Budget	Projected Actual Budget
Less: Costs Incurred To Date		(\$726,018)
Costs Yet to be Expensed		\$11,397,260

Costs include HST less the refundable portion of HST.

This projected budget cost of \$12,123,278 is estimated to require \$8,557,938 to be financed. The County has sufficient discretionary reserves that this project could be self-financed. The annual debt payment over a loan period of 15 years, at an annual interest rate of 2.80%, is calculated to equal \$706,539. The 2016 budget contains funding of \$600,207 being transferred to reserve, as a planned contribution to meet the required annual borrowing payment beginning in 2017. Based on the total project cost of \$12,123,278, an increase of \$106,332 in funding will be required to meet the annual borrowing payment.

A future staff report will be brought forward that will detail the self-financing sources for this project along with a recommendation to formalize the financing of this project.

It should be noted that the estimated project costs and the financing of this project may be impacted by any change orders that may be approved.

Proposed Project Oversight

Once the project is awarded CAO Wingrove, Finance Director Wepler and Housing Director Shaw will meet with Devlan Construction and The Ventin Group to establish the construction schedule, communications protocols, confirm change order procedures, etc. The results of this meeting will be reported to the next available Corporate Services committee.

Throughout the project there will be biweekly project progress meetings involving the site superintendent from Devlan Construction, a representative from The Ventin Group, subtrades and Grey County staff. The minutes of these meetings will be a standing item on the Corporate Services agenda for the duration of the project.

The CCDC2 contract between the County of Grey (the “owner”) and Devlan Construction (the “contractor”) stipulates the requirement and process for change orders during the project. Any deviations from the construction and related services as required by the construction documents will require a change order signed by both the Owner and Contractor. It is proposed that major changes to the scope of the project or change orders in excess of \$100,000 will be discussed with the Building Committee prior to approval of the expense. Minor changes will be reviewed by the CAO, Director of Finance and Housing Director and signed for by the CAO.

Link to Strategic Goals / Priorities

The values statement of the approved Corporate Strategic Plan includes fiscal responsibility. Consistent application of the purchasing policy requirements focuses on the commitment to ensure effective and efficient processes, which offer prudent use of public funds.

Respectfully submitted by,

Anne Marie Shaw, Director of Housing
Kevin Wepler, Director of Finance
Mike Alguire, Purchasing and Materials Manager