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Date: November 2, 2017
To: Mayor and Council
Author: Tim Del Greco, Manager of Facilities and Properties
RE: Grovedale Construction
Report No.: MS 2017 - 53

AIM

To seek Council approval to proceed with construction of the Grovedale House and appoint a construction manager to oversee this phase of the project.

BACKGROUND

During the September 11th 2017 Council meeting, the following motion was made:

582-2017

Moved by Deputy Mayor Gord Queen
Seconded by Councillor Thomas Neufeld

That Council select the Grovedale House as the design option for the Kings Landing rebuild.

DISCUSSION

Glos Associates Incorporated (architect) are currently in the process of creating final design plans and specifications for this new build. With winter approaching and a Federal Grant deadline of March 31st 2018, timelines for construction are tight and the work must be expedited wherever possible. Rather than following the typical construction process of creating drawings and specifications then tendering for a general contractor to quote and complete full construction, we are instead tendering for a construction manager who will coordinate the build in phases as specifications become available from the architect. Starting construction during the design phase will accelerate the progression of this project.

Following selection of the Grovedale House concept as the preferred design, a tender was advertised for construction management services. Results of this tender have been evaluated and scored based on a number of criteria including:

- Experience with construction management
- Experience with construction of similar projects
- Fees which comprise of both fixed costs and percentage based costs

Final results including their associated fees (excluding HST) are as follows:

Name	Fixed Fee	Percentage Fee (based on \$2,188,050 budget)	Total Fee	Score
Elmara Construction	\$84,990	1.49% (\$32,601)	\$117,591	90.00
Oscar Construction	\$117,558	5.00% (\$109,402)	\$226,960	65.62
Barrinetti Construction	\$96,200	3.00% (\$65,641)	\$161,841	61.40
Nevan Construction	\$190,000	9.00% (\$196,924)	\$386,924	33.33
Vince Ferro Construction	\$525,115	11.00% (\$240,685)	\$765,800	13.91

Elmara Construction was able to demonstrate significant experience with similar construction projects. Considering their lower cost fee proposal, recommendation is to proceed with this contractor.

As mentioned above, timelines are extremely tight with this build. The Town's Procurement of Goods and Services Policy states that all purchases over \$50,000 will be subject to the formal tendering process as well as approval from Council. Substantial completion of this build prior to March 31st will not be feasible if each phase of construction is required to adhere to this policy. Approval to bypass policy will expedite construction as it will eliminate the need for the authoring and advertising of formal tenders as well as the time required to prepare and present subsequent reports to Council. Glos in conjunction with Administration will attempt to secure three quotes for each phase of construction and award as required.

As indicated in a previous report to Council, Grovedale House construction is estimated at \$2,188,050. Glos has now determined through recent design and engineering that an additional \$300,000 should be included in this figure to account for unanticipated drainage works. A budgetary schedule for each phase of construction is being developed in an effort to monitor all expenditures and to stay within target.

Attached in Appendix I are updated drawings of the build for your information. As construction progresses, updates will be made available to the public through various channels and monitored for any relevant feedback.

LINK TO STRATEGIC PLAN

Improve recreational and cultural facilities and opportunities within the Town of Kingsville.

FINANCIAL CONSIDERATIONS

Construction of the Grovedale House is estimated at \$2,488,050. To date, approximately \$156,606 has been expensed for services such as demolition, architectural design, site surveying, soil sampling, etc. Therefore, the total cost of this project is approximately \$2,644,656. If secured, the CIP 150 Grant will offset \$181,500 of this total cost.

The 2017 Budget identified phase one costs of \$640,000 with funding allocated from the CIP 150 Grant and the balance to come from E.L.K. Reserves. Administration continues to recommend this project be funded by the principal in the E.L.K. Annuity Fund. The ongoing impact of infrastructure maintenance and general operating costs already puts great pressure on the tax rate and lifecycle reserves. While debt is an option, a number of projects identified through the strategic planning process are considered a higher priority should financing be required.

Additional manpower and funding will be required in the future in order to operate and maintain this new build. It should be expected that the Grovedale House will operate on an annual deficit similar to Lakeside Pavilion. As a comparison, Lakeside Pavilion on a three-year average operates at an annual deficit of \$33,732.

CONSULTATIONS

Kingsville Administration
Glos Associates Inc.
Elmara Construction

RECOMMENDATION

Recommend Council approve the proposal submitted by Elmara Construction to provide construction management services with respect to the Grovedale House build.

Recommend Council allow Glos and Administration to bypass the Procurement of Goods and Services Policy and award phases of construction without formal tendering and subsequent reports to Council for approval.

Recommend Council approve an overall estimated budget of \$2,488,050 to construct the Grovedale House build and fund this project through the E.L.K. Annuity Fund Reserves.

Tim Del Greco

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G. A. Plancke

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Peggy Van Mierlo-West

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