



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Pat Newson, Director of Recreation and Facilities
DATE: 18/07/2016
SUBJECT: Memorial Hall Renovation Project Bid Award
ATTACHMENTS: Bid Analysis, Funding confirmation letter from Province

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby awards the renovation project to SKC Construction Inc. for the bid price of \$3,236,000;

AND FURTHER THAT the Clerk be directed to prepare the authorizing by-law to sign the CCDC2 Construction Contract with SKC Construction at the August 2, 2016 Council meeting;

AND FURTHER THAT the \$299,000.00 Contingency Allowance for the project be reduced to \$150,000 in a Post Tender Addendum prior to signing of the CCDC2 Construction Contract;

AND FURTHER THAT the Council of the Township of North Huron hereby confirms that the total project budget is \$3,800,000, to include all expenses for the project;

AND FURTHER THAT the project shall be funded in accordance with the Funding Agreement for this project between The Corporation of the Township of North Huron and 14/19 Inc., previously adopted by-law.

EXECUTIVE SUMMARY

The Township of North Huron tendered the renovation project of Blyth Memorial Community Hall for a General Contractor to oversee the entire renovation project. SKC Construction Inc. out of Cambridge Ontario submitted the lowest compliant bid at \$3,385,000.00. The Architect has included a Bid Analysis, and supports this recommendation in the attached report.

DISCUSSION

BID AWARD

- The Township of North Huron completed a tender process for this project which concluded with the public bid opening on June 28, 2016. The Architect has provided an analysis which is attached, and concluded that SKC Construction Inc. had the lowest compliant bid.

CONSTRUCTION BUDGET

- Prior to tendering the project, the project budget was increased to reflect an increased Construction Contingency from \$150,000 to \$299,000. The rationale was to allow for the difference in the US dollar exchange from when the original project budget was finalized in April 2015, to when it was being tendered and completed.
- On June 28, 2016 the statement of probable construction cost estimated the work at \$3,230,725 plus HST. Note that building permit fees are not included in this construction cost, and not carried in the bid price.

- By reducing the Construction Contingency to \$150,000, the difference between the lowest bid and the estimated probable construction cost is +\$5,275

PROJECT BUDGET

The entire project budget is estimated at \$3,800,000

Blyth Arts and Culture Initiative 14/19 Inc. have reviewed and approved the final project budget and scope of work and have signed a letter of understanding. This is required by the terms of the funding agreement between the Township of North Huron and 14/19 Inc.

Budget Breakdown:

SKC Construction Budget Submitted Bid	\$3,385,000
SKC Revised Construction Budget (lower contingency)	\$3,236,000
Building Permit fee	\$61,000
Consulting fees	\$357,017
Project Insurance	\$16,000
Building load in and out	\$10,000
Utility Expenses	\$37,500
Additional expenses/Project contingency	\$82,483
Total	\$3,800,000

FUNDING AGREEMENT

This project is partially funded by the Government of Ontario. Attached to this report is a funding letter received by 14/19 Inc. dated June 13, 2106, confirming the funding for the project. Blyth Arts and Culture Initiative 14/19 Inc. has signed the final copy of the funding agreement, and the Government of Ontario will be signing and returning the final copy within the next few days. North Huron will be supplied a final copy of the signed agreement. Staff have reviewed the draft agreement and are satisfied it meets Council's expectations that this project does have the funding in place to proceed.

FINANCIAL IMPACT

The Township of North Huron is contribution \$500,000 toward this project. This is unchanged.

FUTURE CONSIDERATIONS

The contractor intends to begin work at the site stating September 6, 2016, while the Festival staff are moving the items in the building out, into storage. This plan is previously agreed upon by all parties. Full site mobilization will take place September 19, 2016.

The Township is awaiting the outcome of the application to the Canadian Cultural Spaces Grant for this project.

Council will continue to be kept informed on the project progress through monthly update reports.

RELATIONSHIP TO STRATEGIC PLAN

Our community is attractive and welcoming to new business and Residents.
Our administration is fiscally responsible and strives for operational excellence.

Pat Newson, Director of Recreation and
Facilities

Sharon Chambers, CAO