

**DUFFERIN COUNTY COUNCIL
ADDENDUM**

**Thursday, May 9, 2013
7:00 p.m.**



6. PRESENTATION AND CONSIDERATION OF REPORTS

6.9 Report – Tender Results for Renovation to Former Shelburne Hospital

A report from the Director of Community Services dated May 9, 2013 to provide Council with Council with the tender results for the Renovation of the Former Shelburne Hospital.

Not
Listed on
the
Agenda



REPORT TO COUNCIL

To: Warden Ryan and Members of County Council
From: Keith Palmer, Director of Community Services
Date: May 9th, 2013
Subject: Tender Results for Renovation to Former Shelburne Hospital

PURPOSE:

The purpose of this report is to provide Council with the tender results for the Renovation of the Former Shelburne Hospital.

BACKGROUND & DISCUSSION:

Tenders closed at 11:00 am on Tuesday, May 7, 2013. Tenders were opened immediately following the closing in the Admin Meeting Room, 55 Zina St, Orangeville. The following people attended the tender opening:

Chair – Ed Crewson
Director of Community Services – Keith Palmer
Chief Building Official, Director of Property – Michael Giles
Deputy Treasurer – Aimee Raves
Architect Representative – Wesley Gowling

There was a range of approximately \$625,000 in the tenders received with the highest (before taxes) at \$4,282,824 and the lowest of \$3,657,900. The three lowest bids are:

FIRM	BID PRICE before taxes	County Cost
Berkim Construction	\$4,282,824	\$4,358,202
Bertram Construction (Ontario) Ltd.	\$3,657,900	\$3,722,279
Monteith Building Group	\$3,872,000	\$3,940,147

Financial Impact:

The total approved funding for the Shelburne Hospital has been set at \$4,050,000, which includes \$852,000 from the Ministry of Municipal Affairs through the Investment in Affordable Housing (IAH) program as well as \$10,000 of seed funding from CMHC and the balance being borrowed.

With other costs related to this project estimated at \$260,000, the remaining budget would equate to \$3,790,000 for construction costs.

The preferred bidder is Bertram Construction with a price of \$3,657,900 plus taxes (\$3,722,279 actual County cost). This bid is within the approved spending limits for this project.

As we move forward with the project there may be contingency costs (due to the age of the building) once construction begins. These contingencies may result in additional costs associated with this project. The Chief Building Official and Architect feel these costs should not exceed \$450,000 and recommend this amount be added to the project cost.

Staff recommends the County budget for this additional amount in the project, bringing the cost to \$4,500,000.

It is recommended that the additional \$450,000 be financed using the Rate Stabilization Reserve.

This report shows the total upfront project costs of \$4,500,000 (\$4,050,000 + \$450,000). As previously reported by the Treasurer, Development Charges (DC) in the amount of \$1,980,000 will be applied to the cost of this project. It must be noted the original DC were based on construction of the second floor and did not account for the recently approved first floor. As a result the DC Bylaw will have to be reviewed to account for the additional floor and costs. Once reviewed a total of 90% of the after provincial subsidy construction costs, equal to \$3,274,000, can be funded using DC's (\$4,500,000 - \$862,000 x 90%)

As it may take up to 20 years to collect all development charges, there remains the need to borrow as authorized by Bylaw 2013-20. As the DCs are collected they will be applied to the annual debt payment associated with the project.

Local Municipal Impact:

It is anticipated that there is no direct Local Municipal impact.

Recommendation:

THAT the report of the Director, Community Services dated May 9th, 2013 – Tender Results for Renovation to Former Shelburne Hospital 2013 be accepted:

AND THAT the Council approve the award of the tender to Bertram Construction (Ontario) Ltd.

AND THAT The Council approve the additional contingency amount of \$450,000 to be added to this project and be financed using the Rate Stabilization Reserve.

Respectfully submitted

Keith Palmer
Director, Community Services.