

<b>TO:</b>	<b>CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON AUGUST 26, 2014.</b>
<b>FROM:</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER</b>
<b>SUBJECT:</b>	<b>REQUEST FOR PROPOSAL No. 14-38 CONSTRUCTION MANAGER/GENERAL CONTRACTOR FOR RENOVATIONS TO THE NORMAL SCHOOL PROJECT #GG1558</b>

<b>RECOMMENDATION</b>
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That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to the Request for Proposal for a Construction Manager/General Contractor for Renovations to the Normal School (No. 14-38):

- a) the proposal submitted by Tonda Construction Limited, 1085 Wilton Grove Road, London, ON, N6N 1C9 in the amount of \$511,000.00 excluding HST for Construction Manager/General Contractor (CM/GC) Services for the Renovations to the Normal School **BE ACCEPTED**; it being noted that this project will have a two-phase award process to Tonda Construction Limited, with Phase 1 being the award of the CM/GC Services Agreement and Phase 2 being the future award of the construction contract to Tonda Construction Limited for the Renovations to the Normal School in 2015, subject to successful completion of Phase 1;
- b) the financing for the Construction Manager/General Contractor Services portion of this project **BE APPROVED** as set out in the Sources of Financing Report attached as Appendix "A"; and
- c) the attached proposed by-law (Appendix "B") **BE INTRODUCED** at the Municipal Council meeting to be held on September 2, 2014 to:
  - (i) approve the Agreement between The Corporation of the City of London and Tonda Construction Limited for the provision of Construction Manager/General Contractor Services for the Renovations to the Normal School at an upset limit of \$511,000.00, excluding HST; and
  - (ii) authorize the Mayor and the City Clerk to execute the Agreement forming Schedule "A" to the by-law appended hereto as Appendix "B";

<b>PERTINENT REPORTS RELATED TO THIS MATTER</b>
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- March 25, 2014 – Architect to Act as Prime Consultant for the Normal School Renovation.
- February 4, 2014 - Confidential Report, Corporate Services Committee
- November 26, 2012 - Information Report, Finance and Administrative Services Committee.
- July 16, 2012 - Information Report, Finance and Administrative Services Committee.

<b>BACKGROUND</b>
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**PURPOSE:**

This report is being submitted to seek approval to enter into a formal contract with Tonda Construction Limited for Construction Manager/General Contractor (CM/GC) Services for the Renovations to the Normal School located on 165 Elmwood Ave. East; to provide council with

an understanding of the Construction Management process and to advise that this is to be a two-phase award process to Tonda Construction Limited with the 1st phase being the award of the CM/GC services agreement and the 2nd phase being the future award of the construction contract to Tonda Construction Limited in 2015 subject to successful completion of phase.

**CONTEXT:**

A Request for Proposal No. 14-38 was issued July 9, 2014. Responses from eight (8) firms were received July 28, 2014 and were reviewed and evaluated by staff from Facilities Design & Construction, Purchasing & Supply and the YMCA of Western Ontario against the following evaluation criteria:

- Previous experience on similar projects,
- Capability of team members,
- Fee,
- Submission content,
- Previous Leadership in Energy and Environmental Design (LEED) experience,
- Evidence of budget and schedule control,
- Clear outline of services to be completed,
- Information contained within the Contractors Qualification Statement, Canadian Construction Document Committee, Document 11 (CCDC-11),
- Work to be completed by others; and
- Detailed summary of site overhead expenses and general contractor fees.

The proposal submitted by Tonda Construction Limited was deemed to provide the best technical and financial value to the Corporation and it is recommended that they be awarded a contract for the work in accordance with Section 15.2 of the Procurement of Goods and Services Policy.

Based on the current timelines, construction is scheduled to commence in the spring of 2015 with completion planned for May 2016.

**Modified Construction Management**

In this modified Construction Management process the General Contractor (Tonda Construction Limited) is retained in the design phase of the project to act as Construction Manager (CM) to provide scheduling, cost estimating, and value engineering services as part of the Project Team. When construction commences the CM takes on the duties of Constructor and General Contractor.

As a cost control measure the construction contract will be a Guaranteed Maximum Price (GMP) contract meaning that the construction costs will not exceed the GMP. If the results of sub-trade tendering in total are greater than the GMP then the Tonda Construction Limited, the City and Consultant will enter into a value engineering exercise to reduce costs to meet the GMP.

This process was successfully used in the Redevelopment of Storybook Gardens in 2002, North London Optimist Community Centre Project in 2006 and the Stoney Creek Community Centre, YMCA and Library in 2010.

**CONCLUSION:**

The Normal School is a unique heritage building and the complexity of modernizing a heritage building of this magnitude requires a contractor with experience and expertise in this type of construction. Therefore the construction management process noted presents the best approach and will enable the project to be completed within budget and on schedule.

**FINANCIAL IMPLICATIONS:**

There are no anticipated additional operating costs associated with the award of this contract.

**ACKNOWLEDGEMENTS:**

This report was prepared by John Devito and Jeff Wilson, Facilities Design & Construction.

<b>SUBMITTED BY:</b>	<b>REVIEWED AND RECOMMENDED BY:</b>
<b>JOHN DEVITO SUPERVISOR, FACILITIES DESIGN &amp; CONSTRUCTION</b>	<b>TIM WELLHAUSER DIVISION MANAGER, FACILITIES</b>
<b>REVIEWED AND RECOMMENDED BY:</b>	<b>RECOMMENDED BY:</b>
<b>MIKE TURNER DEPUTY CITY TREASURER</b>	<b>MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES &amp; CITY TREASURER, CHIEF FINANCIAL OFFICER</b>

Attach: Appendix "A" – Sources of Financing  
Appendix "B" – By-Law for Construction Manager/General Contractor

cc: John Freeman, Manager Purchasing and Supply