

TO:	CHAIR AND MEMBERS CORPORATE SERVICES COMMITTEE MEETING ON APRIL 21, 2015.
FROM:	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES AND CITY TREASURER, CHIEF FINANCIAL OFFICER
SUBJECT:	PHASE II – AWARD OF CONSTRUCTION CONTRACT FOR THE RENOVATIONS TO THE NORMAL SCHOOL PROJECT #GG1558

RECOMMENDATION

That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer:

- a) The award of the construction contract to Tonda Construction Limited, 1085 Wilton Grove Road, London, ON, N6N 1C9 in the amount of \$6,195,957.00 excluding HST for the Renovations to the Normal School **BE ACCEPTED**;
- b) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached as Appendix "A";
- c) The Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in connection with the project;
- d) The approvals given herein **BE CONDITIONAL** upon the Corporation entering into a formal contract for the work; and
- e) The Mayor and City Clerk **BE AUTHORIZED** to execute a contract or any other documents, if required, to give effect to these recommendations.

PERTINENT REPORTS RELATED TO THIS MATTER

- August 26, 2014 – Construction Manager/General Contractor for the Renovations to the Normal School.
- 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.

BACKGROUND

PURPOSE:

The purpose of this report is to award the Phase II Construction Contract to Tonda Construction Limited for the renovations to the Normal School located on 165 Elmwood Ave. East.

CONTEXT:

Tonda Construction Limited was awarded the Phase 1 – Construction Manager/General Contractor Services RFP No. 14-38 in the amount of \$511,000.00 excluding HST by Council resolution August 26, 2014 noting that the award of the Phase II – Construction Contract in 2015 would be subject to the successful completion of phase 1.

A price of \$6,195,957.00 for the renovation of the facility has been established based on a detailed knowledge of the project gained through the design process and development of the detailed drawings & specifications.

The renovation briefly consists of:

- Addition to the building housing an elevator for barrier free accessibility;
- Complete mechanical and electrical systems replacement;
- Barrier free washrooms;
- Office, daycare and classroom spaces;
- Parking lot enhancements; and
- Designated substance abatement;

Financial Implications:

On February 28, 2013, Council approved \$1 million of annual operating funding for the Normal School project including ongoing costs and debt servicing. Debt servicing costs will be financed through annual commitments over a ten year period.

As a cost control measure there is a cost saving formula included in the contract whereby at the total completion of construction, any net savings realized between construction budget and the final contract amount will be shared between the City (50%) and Tonda Construction Limited (50%).

Subject to the approval of the Lease Agreement the YMCA will be responsible for all operating costs for the project for the 20 year life of the agreement. The City of London will be responsible for the Life Cycle Renewal costs of the facility which will be budgeted in future years.

Additional City Related Expenses totaling \$100,000 are being requested at this time for:

- Costs associated with the Building Permit, Development Fees, site work and landscaping.

CONCLUSION:

Tonda Construction Limited was retained in the design phase of the project to act as Construction Manager (CS) to provide scheduling, cost estimating, and value engineering services as part of the Project Team. With the award of the construction contract, Tonda Construction Limited will now take on the role of Constructor and General Contractor.

ACKNOWLEDGEMENTS:

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

SUBMITTED BY:	REVIEWED AND RECOMMENDED BY:
JOHN DEVITO MANAGER, FACILITIES DESIGN & CONSTRUCTION	TIM WELLHAUSER DIVISION MANAGER, FACILITIES
REVIEWED AND RECOMMENDED BY:	RECOMMENDED BY:
ANNA LISA BARBON DIRECTOR, FINANCIAL SERVICES	MARTIN HAYWARD MANAGING DIRECTOR, CORPORATE SERVICES & CITY TREASURER, CHIEF FINANCIAL OFFICER

Attach: Appendix "A" – Sources of Financing

- cc: Bill Warner, Manager, Realty Services
 Andrew MacPherson, Manager, Environmental and Parks Planning
 John Freeman, Manager, Purchasing and Supply
 Jim Yanchula, Manager, Urban Regeneration