



COUNTY OF WELLINGTON

COMMITTEE REPORT

To: Warden and Members of Social Services Committee
From: Jackie Osti, Manager of Purchasing and Risk Management Services
Date: Wednesday, July 26, 2023
Subject: **Construction and CM Contract Award – 65 Delhi Street Transitional Housing**

Background:

Staff issued a formal request for proposal (RFP) for Construction Management services to the six (6) prequalified construction management (“CM”) firms for the renovation/construction at 65 Delhi Street in Guelph, in accordance with section 4.2.b of the County Purchasing Policy. The RFP award was based on a combination of requirements, such as relevant project experience and pricing. The successful CM for pre-construction services was Collaborative Structures Limited of Cambridge.

The Construction Manager model is a widely used construction project delivery system in which the owner (the County) enters into a single agreement with a construction manager to act in an advisory capacity during the pre-construction phase and then assumes the role of the general contractor to perform the actual construction. The CM works closely with staff and the architect to review drawings, site conditions, and provide cost/time saving recommendations to be included in the design.

Once the drawings and specifications are ready to be tendered, the CM conducts an “Open Book” tendering process. This involves obtaining competitive bids from all relevant trades for sub-contract pricing, which is reviewed as an open book pricing summary by County staff and its consultants to determine the overall total construction cost or “Guaranteed Maximum Price” (GMP). The CM issued two hundred and fifty-five (255) separate tender packages for this project for the major divisions of work such as mechanical, electrical, drywall and roofing. This collaborative process ensures that a maximum amount of cost certainty is achieved in establishing the construction budget, which will provide the County with the best value.

If awarded the contract, the CM will then work with the County and consultants to continue to find cost savings throughout the construction phase. Upon completion of the project, any cost savings relative to the awarded GMP, will then be shared between the contractor and owner. This provides incentive for the CM to work with all parties to bring this project in under budget. This mutual collaborative process provides the County with a more reliable total construction cost and represents better value for the expenditure.

Following this tendering process, staff are recommending awarding the construction portion of this project to Collaborative Structures Limited of Cambridge at the total contract amount of \$8,333,250.00 exclusive of HST @ 13%.

Recommendation:

That the construction contract for the renovations/construction at 65 Delhi Street in Guelph be awarded to Collaborative Structures Limited of Cambridge at the total contract amount of \$8,333,250.00, excluding HST @ 13%; and

That the budget as outlined in the Financial Summary be approved and forwarded to the Administration, Finance and Human Resources Committee; and

That the Warden and Clerk be authorized to sign the necessary construction agreements.

Respectfully submitted,

A handwritten signature in cursive script that reads "Jackie Osti".

Jackie Osti
Manager,
Purchasing and Risk Management Services

FINANCIAL SUMMARY

COUNTY OF WELLINGTON CAPITAL PROJECT EXPENDITURE AND FINANCING SCHEDULE
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Bid name: 65 Delhi Street
 CM: Collaborative Structures Limited

 Project name: 65 Delhi Transitional Housing
 Project number : 21510361

PROJECT COSTS

	Total
<u>Bid:</u>	
Construction Cost Award*	\$8,250,000
Architecture fees and expenses*	840,000
Construction Management Fees*	230,000
Furnishings and Equipment*	460,000
Permits	30,000
Actuals to date*	
Other Professional fees	134,000
Construction Materials	1,000
Contingency	660,000
Bid to Award	\$10,605,000

* includes net cost to County of HST

PROJECT BUDGET APPROVALS AND FINANCING

	Gross cost	Housing Regeneration Reserve	Federal Grant	Provincial Grant
2023 Capital Budget	\$ 7,600,000	\$ 3,500,000	\$ 930,000	\$ 3,170,000
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Funding Adjustment	\$ 3,005,000	\$ (645,000)	\$ 3,650,000	
	\$ 10,605,000	\$ 2,855,000	\$ 4,580,000	\$ 3,170,000