



Construction Tender Award - Terry Fox Public School Addition and Renovation

To: Finance, Budget and Enrolment Committee

Date: 12 May, 2021

Report No.: 05-21-4091

Strategic Directions

- Allocate Human and Financial Resources Strategically to Support Student Needs

Recommendation

It is recommended that

- (a) Everstrong Construction Ltd. be awarded the contract for the construction of a 28,000 square foot childcare and classroom addition, including interior renovations and alterations, for Terry Fox Public School, Ward 20, in the amount of \$11,550,500 plus HST, subject to Ministry of Education (EDU) approval;
- (b) Proceeds of Disposition (POD) funding of up to an additional \$2.08 M. be utilized to cover the capital shortfall, in the event that the EDU does not provide additional capital priorities funding.

Context

The TDSB's business case was submitted to the EDU in July 2015 indicating the need to construct an addition at Terry Fox PS to address enrolment pressures in the North Scarborough area. On 9 November 2015 the EDU provided approval of the Board's business case with the inclusion of a childcare centre. The EDU granted initial capital priorities and childcare capital funding in the amount of \$8,082,471.

The scope of the project has been developed during the design process with input from school staff and the community through Core Design Team (CDT) and New School Review Team (NSRT) meetings. The scope of the project will consist of the following elements (see **Appendix A** for partial plans):

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- A new 2 storey addition abutting the west elevation of the existing school with 10 regular classrooms, a multipurpose room, a new art room, library, a fully licenced 5 room childcare centre, and ancillary spaces to support the operation of the school.
- Conversion of existing library into 3 new classrooms and 3 existing classrooms into 2 kindergarten rooms.
- A new parking lot and student pick-up/drop-off loop has been incorporated into the design to alleviate student safety concerns as previously students were dropped off on Wintermute Blvd.
- New exterior play areas with surface treatments and amenities for a JK-8 school and the childcare centre.
- The number of pupil places will increase from 355 to 631 pupil places, plus 88 total childcare care spaces.

In March of 2019, the TDSB requested Approval to Proceed (ATP) to Tender from the EDU. As part of the ATP, project funding shortfalls were identified to the EDU in which an additional \$4,090,352 was requested to cover the anticipated project costs. The EDU subsequently provided ATP to Tender on 26 January 2021 with an approval of additional funding in the amount of \$4,146,543. The resulting total Project Funding is \$12,229,014, of which \$9,457,164 was allocated to construction. As a result of the lowest bid exceeding the allocated funding, EDU approval is required for this project. This must occur prior to an award and the signing of a construction contract.

Action Plan and Associated Timeline

The project was issued for tender on 25 March 2021 to seven pre-qualified General Contractors (GCs) and closed on 21 April 2021. Of the seven pre-qualified GCs only two bid submissions were received from Everstrong Construction and JR Certus Construction.

The contractors who declined to submit a bid for the project provided the following explanations: one contractor had a shortage of staff due to a COVID outbreak, other contractors declined due to scheduling and workload conflicts with other projects, and one declined due to delays in obtaining the required insurance.

The pricing received from the low bidder is approximately \$2,000,000 over the currently approved construction budget of \$9,457,164. The EDU was informed 23 April 2021 of the construction overage and the TDSB issued a revised ATP on 25 April 2021 to request additional funds in the amount \$2,082,359. The increased pricing reflects current market conditions, both locally and globally, with increased labour costs as well as increases in materials and equipment costs. **Appendix B** is a letter from the consultant regarding the increased costs.

It is not clear if the EDU will provide additional capital priorities funding or if the EDU will approve utilization of POD to cover the overage.

Construction is currently targeted to commence in July 2021, with an anticipated construction duration of 18 months. The construction start is subject to issuance of building permits by the City of Toronto and EDU approval. A Letter of Intent will be issued to the contractor upon receiving EDU approval, which will allow the contractor to order long lead-time equipment and order shop drawings in anticipation of starting construction once the building permits are received.

Resource Implications

Total Project Cost (inclusive of construction overage):

| | |
|--|------------------------|
| Construction Cost | \$11,550,500.00 |
| Soft Costs | \$ 1,499,570.00 |
| Project Contingency | \$ 958,714.00 |
| HST | \$ 302,590.00 |
| Total | \$14,311,374.00 |
| Less Previously Approved Funding | \$12,229,014.00 |
| Additional Funds Requested from EDU | \$ 2,082,360.00 |

The previously approved funding was allocated from \$8,844,432 Capital Priorities funding and \$2,730,912 Childcare Capital funding, as well as \$653,670 in POD funding. This report recommends approval of up to an additional \$2.08 M POD funding in the event the EDU does not support the additional Capital Grant funding but does allow for the use of POD.

Communications Considerations

A community update on the current project status has been drafted and reviewed with the Principal, Superintendent, and Trustee. The update will be provided to the community upon receiving EDU approval, advising of the anticipated start of construction.

Board Policy and Procedure Reference(s)

Not Applicable.

Appendices

- Appendix A: TFPS Partial Project Drawings
- Appendix B: Consultant Tender Review Letter

From

Craig Snider, Interim Associate Director, Business Operations and Service Excellence at Craig.Snider@tdsb.on.ca or 416-395-8469

Maia Puccetti, Executive Officer, Facility Services, Sustainability and Planning at Maia.Puccetti@tdsb.on.ca or 416-395-4566

Marisa Chiu, Interim Executive Officer, Finance at Marisa.Chiu@tdsb.on.ca or 416-395-3563

Terry Leventos, Senior Manager, Capital Services and Data Systems at Terry.Leventos@tdsb.on.ca or 416-395-4566

"Appendix A"

NEW Basketball Court (Red), Soccer Field (Purple), Long Jump Pit (Brown) and Hopscotch/Tic Tac Toe/4 Square (Orange).

NEW Childcare Infant, Toddler and Preschool Play Areas Identified in Blue.

Red Line Identifies Extents of Addition.

NEW Student Pick-Up/Drop-Off Identified in Green.

NEW School/Childcare Parking Identified in Light Green.

NEW Walkways tying into park walkways.

Partial Site Plan

485

PIN 06011-0023

BLOCK

490

PIN 06011-0023

BLOCK

SUBJECT TO AN EASEMENT AS SET OUT IN A 804068

Sidewalk

Concrete

Areg = 21,435 m²

PLAN

PIN 06011

BLOCK

FUTURE PORTABLE CLASSROOM

LIMESTONE SCREENING

CHAIN LINK FENCE AROUND PERIMETER OF PARKING LOT SEE LANDSCAPE

LONG JUMP PIT, SEE LANDSCAPE

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SUBJECT TO AN EASEMENT AS SET OUT IN A 804068

EXISTING PEDESTRIAN PATH

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EXISTING PEDESTRIAN PATH

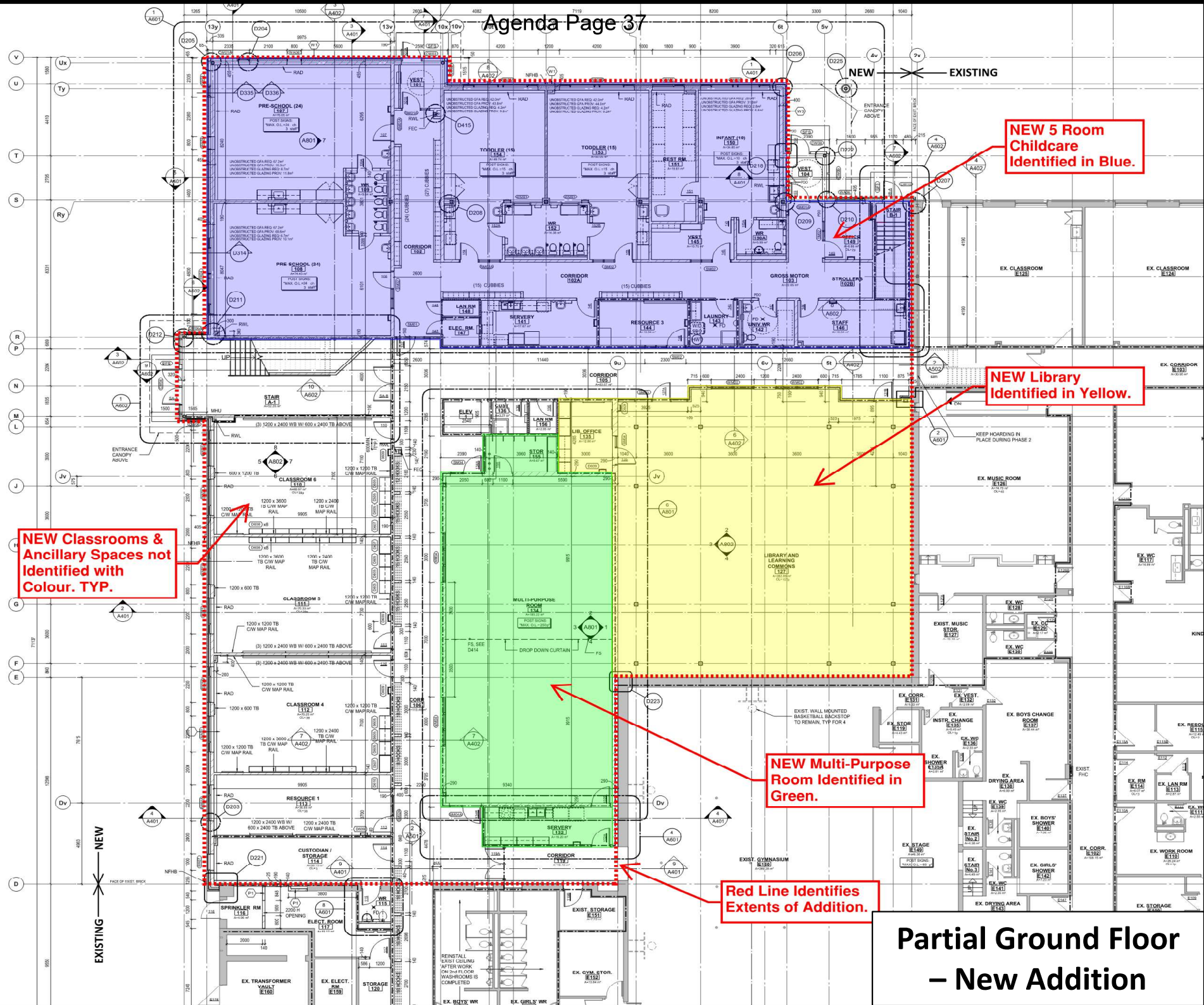
SUBJECT TO AN EASEMENT AS SET OUT IN A 804068

EXISTING PEDESTRIAN PATH

SUBJECT TO AN EASEMENT AS SET OUT IN A 804068

EXISTING PEDESTRIAN PATH

**Extents of Library - Classroom Conversion -
See "Partial Second Floor - Interior
Alterations" Drawing for More Detail**



Partial Ground Floor – New Addition

Partial Second Floor – New Addition

NEW ——— EXISTING

Red Line Identifies Extents of Addition.

Conversion of Existing 3 Classrooms into 2 Kindergarten Rooms Identified in Magenta.

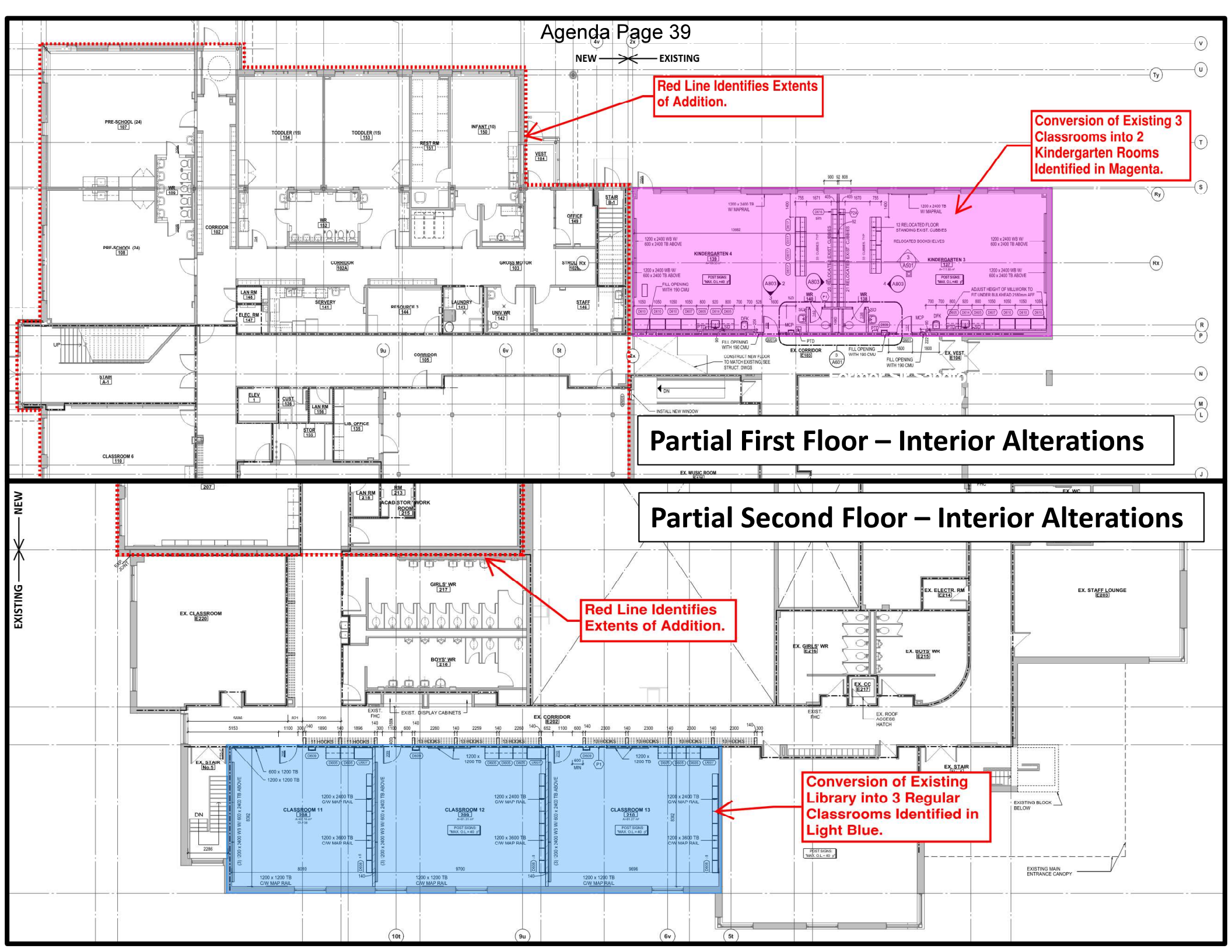
Partial First Floor – Interior Alterations

Partial Second Floor – Interior Alterations

Red Line Identifies Extents of Addition.

Conversion of Existing Library into 3 Regular Classrooms Identified in Light Blue.

EXISTING ——— NEW



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May 5, 2021

Email only (Terry.Leventos@tdsb.on.ca)

Terry Leventos
Senior Manager, Capital Project Management
Toronto District School Board

**RE: Terry Fox Public School Addition Tender Review
185 Wintermute Blvd., Toronto, Ontario
OUR FILE No. 16058**

Dear Mr. Leventos:

It is our understanding that the low bid for the Terry Fox Public School Addition (\$11,550,500) exceeds the approved construction budget. The last solicited cost estimate, prepared by Altus Group in October 2018 at 85% construction documentation, had an estimated construction cost of \$9,457,164. We offer the following comments / considerations on this overage:

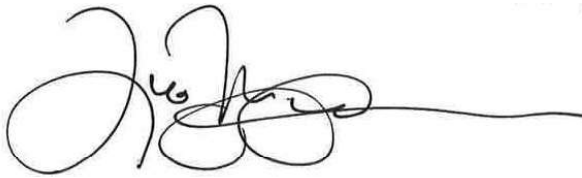
1. The October 2018 estimate did not include for construction cost escalation beyond 3Q 2018. Tender, however, closed in 2Q 2021 – ten quarters (two and a half years) beyond the estimate, during a prolonged period of volatility in the construction market.
2. Over the past couple of years, we have witnessed significant cost increases in all major building trades/materials (e.g. steel, concrete, gypsum, insulation, wood, copper, etc.), well above the typical rate of inflation. Cost consultants (as well as Statistics Canada) were giving us figures earlier this year of 6% per annum which today appears to be a low projection.
3. Contractors are reporting raw material costs escalating daily, resulting in difficulties locking in prices at tender and sub-trades “padding” their prices to protect against further cost increases. In the last two months we have heard unofficial increases of a 50% in steel and 40% in lumber.
4. Material shortages continue to be an issue, with suppliers/contractors paying premiums to secure materials, some as high as 50% compared to one year prior. Covid-19 has either closed factories or substantially reduced production.

If a detailed costing analysis is required, we recommend you retain the services of a professional quantity surveyor.

Should you require any additional information regarding the above, please do not hesitate to contact the undersigned.

Sincerely,

MC Architects Inc.

A handwritten signature in black ink, appearing to read 'Leo Makrimichalos', with a long horizontal line extending to the right.

Leo Makrimichalos, B.Arch., OAA, FRAIC, Int'l Assoc. AIA, LEED®AP
Director, MC Architects Inc.
LM:mc

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