

Municipality of Chatham-Kent
Community Development
Municipal Governance

To: Mayor and Members of Council
From: Lynn McGeachy Schultz
Date: May 8, 2018
Subject: Tender Award: T18-176 - New Animal Shelter

Recommendations

It is recommended that:

1. The tender in the amount of \$2,348,882 (including HST) for construction of the revised 6,200 sq. ft. New Animal Shelter (Scenario B) be awarded to Agri-Urban Building Inc.
2. \$820,305 of additional funding be provided from the Strategic Reserve to fund the project.
3. The Mayor and Clerk be authorized to sign the necessary agreements.

Background

The Friends of the New Animal Shelter Committee was created in 2015 and charged with the task of raising funds for a much-needed new animal shelter. In August 2016, the Project Coordinator position was funded to coordinate the fundraising tasks. In October 2017, the contract for the Project Coordinator was extended until December 2018 to see the project to completion.

A Request for Proposal (RFP) for Architectural Services for the New Animal Shelter was awarded in October 2017 to ROA Studio Inc. (ROA).

Fundraising dollars raised for the project are as follows:

Donations received	\$ 633,833
Committed donors	208,382
Donor (pending announcement)	100,000
Committed by Council	560,000
Total	\$1,502,215

Expenses paid from dollars raised are as follows:

Less: Marketing dollars	(\$10,000)
Less: Architectural costs (2017) (previous RFP less 11.24% HST)	(\$91,279)
Less: Project Coordinator (2017)	(\$50,000)
Less: Project Coordinator (2018)	(\$56,000)
Total remaining funds available	\$1,294,936

Comments

The architectural design by ROA was based on program needs identified in the RFP and conforms with best practises and regulatory requirements. Floor plans for the project were reviewed with the “Friends of the New Animal Shelter” committee, past and current service providers and other animal shelter operators. Municipal departments including Planning, Engineering and Licensing Services were engaged in the preparation process throughout. The design was also reviewed by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) as they are the Ministry in charge of animal shelter inspection and regulation in the Province.

The tender was advertised on March 13th, 2018. The Purchasing Officer received and reviewed the 11 tenders on March 29th, 2018. All tenders were reviewed for content and completeness by ROA. The following table summarizes the bids received:

Bidder	Tender Amount (includes HST)
Agri-Urban Building Inc. – See note 1	\$ 2,914,270.00
Averio Construction – See note 2	\$ 3,116,563.82
Barrinetti Construction	\$ 3,373,050.00
Elgin Contracting	\$ 3,133,490.00
Elmara Construction Co. Limited	\$ 3,325,434.06
Elric Contractors of Wallaceburg	\$ 3,669,257.65
Gulf Developments	\$ 3,160,070.64
Jayden Construction – See Note 3	\$ 2,938,161.65
Renokrew – See Note 4	\$ 3,300,000.02
Vince Ferro Construction – See Note 5	\$ 3,307,941.66
Westhoek Construction	\$ 3,059,037.69

1. Agri-Urban noted the HST on page 6 of the Tender form as \$355,272.00 incorrectly. The Base Bid and Total with HST was correct.
2. Averio Construction noted the HST on page 6 of the Tender form as \$358,524.74 incorrectly. The Base Bid and Total with HST was correct.
3. Jayden Construction noted Total Contract Price (including HST) on page 1 and page 6 of the Tender form as \$2,938,161.64 incorrectly. The Base Bid and HST amount was correct.
4. Renokrew noted Total Contract Price (including HST) on page 1 and page 6 of the Tender form as \$3,300,000.00 incorrectly. The Base Bid and HST amount was correct.
5. Vince Ferro Construction noted Total Contract Price (including HST) on page 1 of the Tender form as \$2,927,382.00 incorrectly. Amount was to include HST.

All bids were higher than the project budget. In keeping with the Council approved purchasing policy, administration met with ROA and the General Contractor who submitted the low bid to review the plans and specifications in an effort to find cost savings while still maintaining the integrity of the programming contents of the building. Subsequently, the General Contractor met with all participating sub-trade contractors in an effort to reduce costs. Administration worked with ROA to reduce the building size and specifications. The result is a reduction in the total project cost of \$500,343.

As part of the concerted effort to stay within the pre-tender budget for the Animal Shelter project, administration and ROA considered three scenarios for a new animal shelter for Chatham-Kent.

Differentiator	Scenario A (original tender)	Scenario B (efficiency revision)	Scenario C (current dollars raised)
Building cost	\$ 2,914,270 (HST included)	\$ 2,348,882 (HST included)	\$ 1,000,000 (HST included)
Base cost (no HST incl)	\$ 2,579,000	\$ 2,078,657	unknown
Total square ft	7,280	6,300	4,200
Building needs met	Yes	Reasonable	No
Exclusions	<ul style="list-style-type: none"> • All requirements met • All codes met • Mandatory fencing incl • Basic landscaping incl • Parking lot and painting incl • Modified curb and gutter, storm water management • Airflow 15cycles/min 	<ul style="list-style-type: none"> • Removal of surrender room, 3 dog intake kennels, 1 storage room, 1 dog isolation kennel, 1 animal area millwork- food prep • Adoption animals do not have private outdoor kennels • Deleted all pass through doors between kennels on the adoptive side • Airflow 15c/min • Decreased parking by 7 spots (4 of which were for animal control) • Removed sidewalks and sod as much as possible, intake fenced area, and concrete pad for potential storage area 	<ul style="list-style-type: none"> • All of previous list in revised B <p>PLUS</p> <ul style="list-style-type: none"> • Removal of community room/ storage area and washroom • Removal of 10 kennels • Remove offices • Remove assessment room • Remove staff room

		<ul style="list-style-type: none">• Site sidewalks decreased	
--	--	--	--

It should be noted, based on available funds (Scenario C above), the size of the building would be reduced to a 4200 sq. ft. pre-engineered structure. It would include an office, entrance and a main corridor with a chain link fence housing the animals. The site work alone would total approximately \$542,000. In addition, where donors have provided funds to name specific areas and those areas are no longer being built, donors will need to be contacted to see if they want a refund. The amount of forfeited donations would be approximately \$370,000.

Additional cost saving measures were explored regarding timing and it was noted that significant increases would result due to the requirement of winter protection if the completion date was pushed into the winter months. It was the feeling of the contractor that if approval was given during May, that the building could be closed in by Oct 31, 2018.

The Friends of the New Animal Shelter Committee and administration are recommending that Council proceed with the amended project scope of work (Scenario B) based on the following:

- There has been significant community support including both corporate and private money provided to support this rather unique private/public partnership project.
- Overall building costs have increased within the last six months locally and that cost has been reflected in the tenders received. Original project costs were based on construction values at the time and had contingency built in the proposal. The bid pricing reflects nearly a 100% increase.
- The structure that could be built with the current funds available will not meet the needs of the community, those who work in the building nor the animals for whom they care.
- Materials used in the building have been chosen for longevity and therefore it is anticipated that the building life is over 40 years. The materials used in the building include concrete block, wood construction and aluminum cladding. All were chosen for low cost, high durability and longevity.
- The updating of all building service connections is both proactive and aids in ensuring the site can support any future developments moving forward. This item alone represents a significant cost increase to the project.
- Solid principles have been used in the overall site management.

Financial support from Council

Fundraising efforts will continue with a goal of funding furnishings and equipment. There will be opportunities for “in kind” donations.

The reality is that in order to complete the shelter, an additional \$820,305 is required to properly fund Scenario B. The total project cost of Scenario B totals \$2.322M as detailed below.

Marketing	\$10,000
Fundraising	\$106,000
Architect (Less 11.75% HST rebate)	\$91,279
Construction Tender (Less 11.74% HST rebate)	\$ 2,115,241
Total	\$2,322,520

Money raised by Community		Money committed by Council	
Donations received	\$ 633,833	For Marketing	\$ 10,000
Committed donors	\$ 208,382	For 2017 Coordinator	\$ 50,000
Donor (pending announcement)	\$ 100,000	From Reserves	\$ 500,000
Total	\$ 942,215	Total	\$ 560,000
		Recommendation #2	\$ 820,305
		Total municipal dollars	\$1,380,305
Percentage of funds raised	40%	Percentage of funds raised	60%

Areas of Strategic Focus and Critical Success Factors

The recommendations in this report support the following areas of strategic focus:

- Economic Prosperity:
Chatham-Kent is an innovative and thriving community with a diversified economy
- A Healthy and Safe Community:
Chatham-Kent is a healthy and safe community with sustainable population growth
- People and Culture:
Chatham-Kent is recognized as a culturally vibrant, dynamic, and creative community
- Environmental Sustainability:
Chatham-Kent is a community that is environmentally sustainable and promotes stewardship of our natural resources

The recommendations in this report support the following critical success factors:

- Financial Sustainability:**
The Corporation of the Municipality of Chatham-Kent is financially sustainable
- Open, Transparent and Effective Governance:**
The Corporation of the Municipality of Chatham-Kent is open, transparent and effectively governed with efficient and bold, visionary leadership
- Has the potential to support all areas of strategic focus & critical success factors
- Neutral issues (does not support negatively or positively)

Consultation

The tenders were opened by the Purchasing Officer and reviewed by ROA for content and accuracy.

Financial Services provided up to date information with regard to the New Animal Shelter Fundraising Reserve.

The Architect and General Contractor who submitted the low bid were consulted with regard to efficiencies that could be realized in order to minimize the cost of this project.

Financial Implications

Project fees associated with this contract could be funded as summarized in the following table:

	Contract T18-176 New Animal Shelter	
Project Costs	Recommended Tender (Including HST)	\$ 2,348,882
	Less HST Rebate 11.24%	-\$ 233,640
	Total Current Project Costs	\$ 2,115,242
	Total Current Project Funding	\$ 1,294,937
	Difference in dollars required from strategic reserves	\$820,305

Prepared by:

Lynn McGeachy Schultz
Project Coordinator

Reviewed by:

Reviewed by:

Judy Smith, CMO
Director
Municipal Governance/Clerk

John Norton
General Manager
Community Development

Consulted and confirmed the content of the consultation section of the report by:

Jennifer Scherle
Purchasing Officer
Financial Services

Tim Dick, C.E.T
Director
Drainage, Assets and Waste Management

Joey Vandermeer
Financial Analyst I
Financial Services

Attachments: None

- c. Purchasing Officer, Financial Services
Director, Drainage, Assets and Waste Management
Financial Analyst I, Financial Services

P:\RTC\Community Development\2018\Municipal Governance\May 28 – Tender Award T18-176
New Animal Shelter