

To: David Creery, Chief Administrative Officer
From: Craig Wallace, Manager of Building & Facilities
Re: Market Building Interior Renovations – Tender Award

AIM

To request an increase in capital funds and award a tender for the Market Building Interior Renovation project.

BACKGROUND

The 2023 Capital Budget process approved \$1,050,000 for the interior renovations at the Market Building. This project has been planned as an office expansion for City Hall.

COMMENTS

The work under this contract generally consists of renovating the two storey west portion of the Market Building for offices. The main floor work will produce finished space of approximately 5400 square feet and includes approximately 2900 square feet for office space, 1400 square feet for community space (or future offices) and new accessible washrooms. The second floor allows for approximately 2300 square feet of finished office space. The project also includes the installation of an elevator making the second floor accessible. New operational functions include offices, meeting spaces, and washrooms with related improvements.

Tenders for this project closed on Wednesday September 6, 2023. The following 12 tender submissions were received and include HST

- Trigon Construction Management.....\$1,495,357.58
- Zehr Construction.....\$1,497,343.79
- Mega Group Construction Limited.....\$1,519,850.00
- Baribeau Construction London Limited.....\$1,553,580.50
- Traditional Construction Inc.....\$1,575,672.00
- Construction Solutions ASI Inc.....\$1,647,540.00
- 2490179 Ontario Inc.....\$1,659,970.00
- Elgin Contracting and Restoration Ltd.....\$1,723,250.00
- Drier Construction Group Inc.....\$1,748,110.00
- N1 Construction Ltd.....\$1,792,293.00

- STM Construction Limited.....\$1,880,089.78
- Anaconda Contracting Inc.....\$1,941,340.00

According to the City’s purchasing policy, Council must approve any tender award in excess of \$750,000.00.

Trigon Construction Management located in Woodstock, Ontario is the low bidder and has satisfactorily included all of the required supporting information with their tender bid. Staff supports the decision to enter into a contractual agreement with Trigon Construction Management for the Market Building Interior Renovations.

The anticipated cost of construction is as follows:

- Contract.....\$1,323,325 excludes HST
 - Consultant.....\$70,000
 - HST.....\$26,000
 - Security system.....\$45,000
- Total\$1,464,325**

A \$467,000 increase in the budget amount is necessary to award the contract based on the current Capital Account Statement for the subject project. The contract amount does include a contingency allowance. The total cost to the Capital Budget program is \$1,517,000.

The proposed work shall begin this fall with the anticipated completion date in April 2024.

CAO Additional Information:

This building renovation will repurpose the west end of the Market Centre as office space on the second floor for the Human Resources Department and office space on the main floor for the Small Business Centre (relocated from 453 Dundas Street), the Downtown Business Improvement Area, downtown bylaw enforcement staff, and washrooms and multi-purpose meeting and event space to support activities in Museum Square.

There are two options for financing the additional \$467,000 needed to award this construction contract. The first is to finance the additional funds from the Reserve for Capital Projects. There are sufficient funds in this reserve for this purpose.

The second option is to finance all or a significant portion of the additional cost from the proceeds of the sale of 453 Dundas Street. The building at 453 Dundas was purchased by the City for the establishment of an office for the Small Business (support) Enterprise as it was known at inception. The main floor was renovated for offices, meeting rooms, washrooms and staff amenity space. The second and third floor were stripped to the structural elements and have remained in this state. Previously there were three

residential apartments on these upper floors in poor condition. As such, the City has underutilized this building since it was acquired. With the relocation of the SBC office, the building will become fully vacant. A private owner would be far more likely to fully utilize this building. Staff recommend that consideration be given to declaring the property surplus to the City's needs and listed for sale. Should Council decide to sell this property, a resolution declaring the property surplus is required and staff will obtain an appraisal/opinion of fair market value before listing it for sale.

As there is likely to be a mismatch between any finalization of a sale (if listed) and the need for funds under a construction contract, staff recommend initial financing from the Reserve for Capital Projects. If Council decides to retain ownership, financing is simply from the same Reserve for Capital Projects.

If it is determined that the property is surplus to our needs we suggest the following resolution:

That City Council declare the property known as 453 Dundas surplus to the needs of the City.

RECOMMENDATION

That Woodstock City Council authorizes a \$467,000 increase to be funded by the Reserve for Capital Projects for the Market Building Interior Renovations;

And further that City Council award the tender for the Market Building Interior Renovations to Trigon Construction Management in the amount of \$1,495,357.58, inclusive of HST.

Authored by: Craig Wallace, CET, Manager of Building & Facilities

Approved by: Harold deHaan, P.Eng., City Engineer

Approved by: David Creery, M.B.A., P. Eng., Chief Administrative Officer