



Subject:	Award of Contract to Construct the Town of Lincoln Museum & Cultural Centre
To:	Community Services & Infrastructure Committee
From:	Community Services

Report Number:	CS-07-19
Wards Affected:	All
Date to Committee:	Wednesday, April 3, 2019
Date to Council:	Monday, April 15, 2019

Recommendation:

Receive for information report CS-07 -19 regarding the award of contract to construct the new museum and cultural centre;

Approve awarding the contract to Serianni Construction Ltd. (Pelham, ON) for the tendered amount of \$3,301,000 (excluding HST) including all accepted alternate price items per the Town's specifications as stipulated in its tender documents;

Authorize the Clerk and Mayor to sign and seal the contract documents on behalf of the municipality; and

Direct staff to, upon contract award, implement cost saving measures with Serianni Construction Ltd. in the amount of \$413,900. This initial change order will be issued after contract documents have been executed and will immediately result in a revised construction contract amount of \$2,887,100.

Purpose:

The purpose of this report is to recommend to Committee and Council the award for the construction of the new Museum and Cultural Centre and to provide an update and overview of total project costs.

Background:

At the March 21, 2018 Council Business Planning meeting Town staff presented estimated projects costs in the range of between \$3,750,00 and \$3,950,000 based on known expenses as well as projected construction cost estimates. Committed project funding at this time included the approved \$2,000,000 from the Town of Lincoln and \$1,000,000 from the Jordan Historical Museum of the Twenty Volunteer Association.

Following the presentation, Council directed staff to pause the project and focus on securing additional sources of funding through other levels of government and through fundraising within the community. Over the following nine (9) months the staff successfully secured new funding totaling \$1,350,000 (see Financial details page 3).

Conscious of escalating construction costs across Ontario and the impact on municipalities, the Town's consultant +VG Ventin Group Architects, proceed to conduct a detailed Class A Cost Estimate. Completed in April 2018, the work was undertaken by Hanscomb Ltd. and yielded construction costs estimates of \$2,813,700 based on the project's finalized tender drawings, documents and specifications.

More recently, at the January 14, 2019 Community Services & Infrastructure Committee meeting Michael Kirkopoulos, Chief Administrative Officer and Shannon McKay, Director of Community Services presented a Town of Lincoln Museum and Cultural Centre project update. The presentation included a review of historical timelines, key project milestones and a celebratory public announcement of the Town's success in securing \$1,000,000 of federal funding through the Canada Cultural Spaces Fund (CCSF) administered by the Department of Canadian Heritage.

Report:

Since staff's presentation to Council on January 14, 2019 the following activities have been completed:

- Execution of the CCFS Contribution Agreement
- Completion & Submission of CCSF Actual Expenditures & Projected Cashflow Statement
- Release, Closure & Review of Tender Documents
- Private Fundraising Meetings
- Preliminary Ground-Breaking Event Planning activities

While the Request for Pre-Qualification of General Contractors yielded 20 submissions, upon careful review, evaluation and scoring of each submission, 12 companies ultimately selected to participate in the tender process.

Lead by the Town's consultant, +VG The Ventin Group Architects, the museum tender documents were released on January 15th. A mandatory bidders' site meeting followed shortly thereafter on Friday, January 18th with all 12 proponents in attendance. The tender closed on February 13, 2019 and a total of nine (9) proponent bids were received with one (1) submission having to be disqualified per direction from the Town's Procurement Agent.

The following Table identifies the complete list of pre-qualified general contractors and the costing results for the eight (8) qualified tender submissions.

Ranking	Company	Base Bid with Town accepted Alternate Prices (excluding HST)
1	Serianni Construction Ltd	\$3,301,000
2	TRP Construction General Contractors	\$3,361,000
3	TR Hinan Contractors Inc.	\$3,362,000
4	Gateman-Milloy Inc.	\$3,561,259
5	Merit Contractors Niagara Ltd.	\$3,580,100
6	Aveiro Contractors Ltd.	\$3,739,998
7	M. J. Dixon Ltd.	\$4,021,000
8	Ira McDonald Ltd.	\$4,030,316
9	Struct-con Construction Ltd.	Disqualified Bid
10	Amico Design Build Inc.	Declined to Bid
11	JR Certus Construction Co. Ltd.	Declined to Bid
12	Collaborative Structures Ltd.	Declined to Bid

Bid Cost Analysis

Overall results for the new museum and cultural center's construction tender align to industry trends and reflect a respectable and fair market range of 2019 construction costs. As depicted above, the bottom three proponents were very aggressive in their pricing with the lowest proponents cost per square feet landing at \$393/ft².

Industry Trends

On a steady rise for the past decade, the construction climate in Canada has seen a continued increase in demand, employment and costs. The Altus Group's annual Canadian Cost Guide based on over 1,400 Canadian cost and project management engagements identified the following cost findings for new museum construction from 2016 to 2019 illustrate the rapidly changing landscape:

- 2016 costs \$350 to \$475/ft²
- 2017 costs \$350 to \$490/ft²
- 2018 costs \$370 to \$550/ft²
- 2019 costs \$400 to 610/ft²

Based on the aforementioned data, the Lincoln's bid results align with the current cost index for museums.

Financial, Legal, Staff Considerations:

Financial:

As of February 2019 and including the results of negotiations with low bidder, Serianni Construction Ltd. and further cost saving reductions of \$413,900, estimated project expenditures and previous commitments are:

Construction Costs:	\$2,887,100*
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Other expenses incurred:

Archaeological Assessment (Stage 4)	\$ 550,000
Architectural & Engineering Design	\$ 260,000
Site Preparations/Studies & Interim Museum	\$ 249,000
FFE	\$ 100,000 - 200,000
Project Contingency	\$ 165,000
Project Management	\$ 130,000

Total Project Cost:	\$4,341,100 - \$4,441,100
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To date, confirmed sources of funding include:

Town of Lincoln (2016 Approved Budget)	\$2,000,000
Jordan Historical Museum of the Twenty Volunteer Assoc.	\$1,000,000
Niagara Waterfront Investment Program (WIP)	\$ 250,000
Bench Brewing	\$ 100,000
Pending Contributions	\$ 100,000
<u>Canada Cultural Spaces Fund (CCSF)</u>	<u>\$1,000,000</u>

Total Funding:	\$4,450,000
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Additional fundraising efforts over the next 12 months will also be realized to ensure project and long-term Town of Lincoln financial and project sustainability.

Staff are also exploring other avenues to help offset site costs.

Staffing: N/A

Legal:

Confirmed by the Town's legal counsel before proceeding, and lead by the Director of Community Services and its consultant, +VG The Ventin Group Architects, the project team and the Town's Procurement Agent met with the lowest bid proponent to exercise its right to negotiate to a target goal of further reducing costs by 15%.

Negotiations commenced on February 22nd and without changing overall facility functionality or compromising building aesthetics, resulted additional cost saving measures proposed by Serianni Construction Ltd. equating to net savings of \$413,900, a cost reduction of approximately 12%. Upon contract award, the project's initial change order will be issued and immediately result in a revised construction contract in the amount of \$2,887,100.

Public Engagement Matters:

Notification:

Upon award of the contract and confirmed timelines, Jordan residents and businesses will receive a Public Notice of construction which will outline relevant dates and information as that pertains to this project and the Jordan historical site in general.

Conclusion:

The project team is excited, inspired and motivated to bring this highly anticipated and very important community legacy project to fruition. An incredible opportunity to provide an integral connection to the past while growing, evolving and strengthening Lincoln's cultural fabric for the future, remains a guiding imperative of this project. Upon Council approval of the award, construction will commence in late April/early May 2019 with a target completion of summer 2020.

Respectfully submitted,

Sean Jackson PMP, C.Tech
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Report Approval:

Report has been reviewed by Economic Development Officer, approved by Director of Community Services with final approval by Chief Administrative Officer (CAO).