

THE MUNICIPALITY OF LAMBTON SHORES

Report DCS 26-2021

Council Meeting Date: June 15, 2021

TO: Mayor Weber and Members of Council
FROM: Steve McAuley, Director of Community Services
RE: Administration Building Update
RECOMMENDATION:

THAT Report DCS 26-2021 regarding the Administration Building Update be received; and

THAT staff be authorized to issue a Request for Proposal for the purposes of securing a construction management services; and

THAT a Building Committee be formed for the purposes of selecting a Construction Management Firm composed of three staff members, Brad Skinner from Skinner and Skinner Architects and the following two members of Council:
_____ and _____ .

SUMMARY

The purpose of this report is to update Council on the progress made on the design of a new administration building and seek approval to issue a request for proposal for construction management services, which will allow an accurate budget to be prepared.

BACKGROUND

At the March 22, 2021 Council meeting, the following resolution was passed:

THAT Report TR 08-2021 Regarding the funding of a consolidated Administration Office and Council Chamber be received; and

THAT the next step in the process; being the preparation of Net Zero architectural and engineering tender ready construction documents, be completed by Skinner and Skinner Architects Inc. and funded from the Working Funds Reserve Fund; and

THAT Council supports the submission of a full application to the Green Municipal Fund Capital Grant and Loan program for the proposed New Administration Office and Council Chamber. Carried

Staff have been working closely with Mr. Brad Skinner from Skinner and Skinner Architects, to finalize the layout of the floor plan of the new building and the details of the construction. The final floor plan is attached for Council's review. The floor plan is substantially unchanged from the plan previously presented to Council. Minor changes

were made in the area of the mechanical and electrical rooms to accommodate the requirements of the electrical equipment related to the solar panel system and the mechanical requirements related to the air handling equipment. Accommodations for IT equipment and council meeting streaming were also included in this area. A separate garbage room was added that will allow access from the back of the building to the parking lot.

In addition to finalizing the floor plan, various sub-consultants have been working to complete designs for electrical, mechanical, structural, and site works. This work is progressing and is expected to be substantially completed in the next month. A final plan to achieve a net-zero building has also been completed and is as attached. The design of the building will be such that the annual energy produced through solar panels will equal the annual energy demand of the building. This is achieved through the design of an energy efficient building and the use of high efficiency heat pumps and ventilation equipment. The targets for the net-zero design are based on those set by the New Buildings Institute. In addition to the above noted sub-consultants an interior office designer has been engaged to establish a layout and cost for furnishing within the building.

Normally at this stage, a more fulsome budget would be prepared. This task has proven difficult based on the current market trends in the construction industry, both around the cost of material and the cost of labour based on availability. These market trends can be linked to both the global pandemic and the general housing and construction market surge. In order to create an accurate budget that will allow staff and Council to understand the full extent of the cost of the building, staff is seeking authorization to issue a request for proposal for the purposes of engaging the services of a Construction Management firm. The firm selected for this purpose would also provide the services of a general contractor should Council decide to proceed with the construction.

Mr. Skinner describes the process of using a Construction Management firm as follows:

Skinner Architects will use an innovative construction implementation process that allows our designs to be implemented as intended. Construction Management is a loosely used term in the industry today. If one is not deeply experienced with a proven track record, in engaging and administering a 'construction management' construction contract, the result can be detrimental to any benefits perceived over a traditional stipulated sum tender.

Our firm, experienced in both construction methods, has developed a tested process that blends the benefits of a stipulated sum tender with construction management. Our process allows for the early selection of the best-suited general contractor based on a quality, experience and competitive fee based selection process. Once selected, the contractor's budgeting, construction and scheduling knowledge are utilized, alongside the design team, to fine-tune the design to meet the owner's requirements prior to formal sub-trade tenders being called.

Competitive sub-trade tenders are then called, and a stipulated sum contract is entered into between the contractor and the owner in which the contractor management fee is fixed and the sub-trades tenders are fixed as well. This process blends construction management with stipulated sum tender methods to achieve the best of both worlds through this practice. The best-suited general

contractor is selected and all work is competitively tendered and packaged in a CCDC-2 stipulated price contract that is familiar to the contractors, owners and consultants.

Staff is proposing to issue (through our Architect) a RFP for a construction management contract based on a two (2) phase approach. The first phase would be limited to establishing a construction budget. The second phase would be for the purposes of providing general contracting services during construction. The RFP would require the bidder to submit a separate lump sum price for each phase. Typically, construction management firms charge very little for the first phase of the contract based on the expectation of actually being the general contractor once construction proceeds.

The selection of a construction management firm is a fairly involved process. The RFP will be created and publicly advertised. The RFP will require the contractor to identify certain competencies such as experience, staff compliment, individual staff members that will be assigned to the project, and of course cost to complete phase one and two of the contract. Once submissions are received, a short list is created for individual interviews. In order to evaluate the submissions, an evaluation is conducted with each of the main criteria receiving a score.

The selection of a construction management firm is a critical step in the success of the project. A qualified contractor will not only be able to create the budget for the project but will also be relied on to make recommendations for changes in materials, process, equipment, etc. that will be beneficial to the project as it relates to budgeting, timing, or quality. The selected firm would also become the construction manager for the construction phase of the project should Council decide to proceed to construction.

In order to ensure an unbiased and transparent construction management selection process, staff is recommending that a six (6) member Building Committee be established that is composed of two (2) Council members, three (3) staff members and Mr. Skinner. This committee would select and make a recommendation to Council regarding the construction management firm.

In summary, the following are identified as the next steps in moving the administration building forward:

- Authorize the issuance of a RFP for Construction Management (this meeting)
- Create a building committee to evaluate and recommend a construction management firm (this meeting)
 - Issue the RFP for construction management services
 - Select a short list from the proposals for interviews
 - Building Committee conducts interviews, and evaluates the RFP submission
 - Building Committee selects preferred construction management firm
- Council reviews and awards construction management contract based on recommendation from Building Committee
 - Construction Manager works with architect to finalize budget under phase 1 of their contract
- Final budget for building construction including disposition of existing buildings, and sources of funding presented to Council for final approval
 - Construction Manager proceeds to phase 2 of contract and construction begins

- Indicates Council decision points.

ALTERNATIVES TO CONSIDER

Council could decide to forgo the use of a construction management firm and simply issue a full tender document for the construction of the building. A tender such as this would result in bids from general contractors. Staff would not recommend this approach as it requires Council to either take the lowest bid or not proceed at all. It essentially becomes an all or nothing scenario. In addition, any changes or alterations after the fact would require the negotiation of a change order through the general contractor. The Construction Management scenario allows changes to be suggested and contemplated by the construction manager prior to finalizing the tenders. These changes can then be accurately reflected in the budget.

RECOMMENDED ACTIONS

THAT Report DCS 26-2021 regarding the Administration Building Update be received; and

THAT staff be authorized to issue a Request for Proposal for the purposes of securing a Construction Management Firm; and

THAT a Building Committee be formed for the purposes of selecting a Construction Management Firm composed of three staff members, Brad Skinner from Skinner and Skinner Architects and the following two members of Council: _____ and _____.

FINANCIAL IMPACT

The recommendations in this report do not result in any financial impacts to the Municipality. By authorizing staff to issue a RFP for construction management services, Council is not committing to construction of the project, nor is it committing to engaging a construction management firm. Once a construction management firm is selected, Council will be asked to authorize a contract for their services at a future meeting. As noted above, even at this stage, Council would only be committing to the first phase, which is essentially a budgeting exercise. Staff estimate that this stage would cost approximately \$10,000.

CONSULTATION

Mr. Brad Skinner – Skinner and Skinner Architects