



## **Construction Tender Award: Classroom and Childcare Addition at George Syme Community School**

**To:** Finance, Budget and Enrolment Committee

**Date:** 23 November, 2022

**Report No.:** 11-22-4434

### **Strategic Directions**

- Provide Equity of Access to Learning Opportunities for All Students
- Allocate Human and Financial Resources Strategically to Support Student Needs
- Build Strong Relationships and Partnerships Within School Communities to Support Student Learning and Well-Being

### **Recommendation**

It is recommended:

- (a) That Pre-Eng Contracting Ltd. be awarded the contract to construct a two-story addition to the existing school facility at George Syme Community School to provide a 5-room childcare centre and four (4) classrooms, in the amount of **\$8,595,500** plus HST, subject to Ministry of Education (EDU) approval;
- (b) That Capital Services request the Ministry of Education to cover the shortfall of an additional **\$2,608,775**. In the event that the EDU does not provide additional capital priorities funding, Proceeds of Disposition (POD) funding will be utilized to cover the capital shortfall.

### **Context**

The TDSB's business case was submitted to the EDU in September 2017 indicating the need to construct an addition at George Syme to address enrolment pressures in the area. On 13 March 2018 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 \$4,471,339.

In May of 2021, 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 **\$3,805,460** was requested to cover the anticipated project costs. The EDU subsequently provided ATP to Tender on 02 May 2022 with an approval of additional funding in the amount of **\$3,805,460**, for a revised total project budget of **\$8,276,799**.

EDU approval is required prior to an award and the signing of a construction contract, if the total project cost, including the construction low bid amount, the project soft costs, contingency and net HST, exceeds the approved project budget, which is \$8.276M as noted above. The tender validity date ends 60 days past October 13, 2022.

## **Action Plan and Associated Timeline**

The project was issued for tender (SX23-059T) on 15 September 2022 to seven pre-qualified General Contractors (GCs) and closed on 13 October 2022. Of the seven pre-qualified GCs only four bid submissions were received. The lowest bid was from Pre-Eng Contracting Ltd at **\$8,595,500**.

The pricing received from the low bidder is \$2,059,500 over the previous estimated construction budget of \$6,536,000. The EDU will be informed of the construction overage and the TDSB will issue a revised ATP to request additional funds in the amount of \$2,608,775. The increased pricing reflects current market conditions consistent throughout North America, due to construction inflation in both equipment, labour and material costs.

It is not clear if the EDU will provide additional capital priorities funding. In the event that additional capital priorities funding is not identified, the EDU may approve the use of Proceeds of Disposition to cover the overage.

Construction is currently targeted to commence in February 2023, with an anticipated construction duration of 18 to 20 months. The construction start is subject to 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 Revised Project Cost (Inclusive of construction overage):**

Construction Cost	\$ 8,595,500
Soft Costs	\$ 1,552,326
Project Contingency	\$ 507,532
HST	\$ 230,216
<hr/>	
Total	\$ 10,885,574

Less Previously Approved Funding \$ 8,276,799

Additional Funds Requested from EDU \$ 2,608,775

The previously approved funding was allocated from \$ 2,842,625 capital priorities, \$ 2,648,382 Childcare capital funding as well as \$2,785,792 in POD funding. This report recommends approval of up to an additional \$ 2,608,775 POD funding in the event that the EDU does not support the additional capital grant funding but allows 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**

Not applicable.

## **From**

Stacey Zucker, Associate Director, Modernization and Strategic Resource Alignment at Stacey.Zucker@tdsb.on.ca or 416-397-3188

Craig Snider, Executive Officer, Finance, at Craig.Snider@tdsb.on.ca or 416-394-2041

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

Marisa Chiu, Comptroller, Finance and Enterprise Risk, at Marisa.Chiu@tdsb.on.ca or 647-463-2278

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

**Blank Page**