



Construction Tender Award: Replacement of Dennis Avenue Community School

To: Finance, Budget, and Enrolment Committee

Date: 23 November, 2022

Report No.: 11-22-4433

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 Everstrong Construction Ltd be awarded the contract to construct a three-story new school at Dennis Avenue Community School to accommodate 358 pupil places and a childcare center in the amount of **\$18,800,000** 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 **\$5,702,038**. 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 replace Dennis Avenue to address significant facility condition issues. On 13 March 2018 the EDU provided approval of the Board's business case. The EDU granted initial capital priorities and childcare capital funding in the amount of \$10,828,738.

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 **\$7,596,686** was requested to cover the anticipated project costs. The EDU

subsequently provided ATP to Tender on 03 May 2022 with an approval of additional funding in the amount of **\$7,596,686**. The resulting total Project Funding is **\$18,425,424**

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 \$18.425M as noted above. The tender validity date ends 60 days past October 25, 2022.

Action Plan and Associated Timeline

The project was issued for tender (PM23-083T) on 23 September 2022 to seven pre-qualified General Contractors (GCs) and closed on 25 October 2022. Of the seven pre-qualified GCs only six bid submissions were received. The lowest bid was from Everstrong Construction Ltd. at **\$18,800,000**

The pricing received from the low bidder is **\$4,443,000** over the previous estimated construction budget of **\$14,357,000**. 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 **\$5,702,038**. 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 24 to 26 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	\$ 18,800,000
Soft Costs	\$ 3,692,693
Project Contingency	\$ 1,124,635
HST	\$ 510,134

Total	\$ 24,127,462
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Less Previously Approved Funding	\$ 18,425,424
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The previously approved funding was allocated from \$ 9,698,908 capital priorities, and \$ 3,069,573 Childcare capital funding as well as \$5,656,943 in POD funding. This report recommends approval of up to an additional \$5,702,038 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

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