



Construction Tender Award - Addition, Renovation & Childcare at Hollywood Public School

To: Finance, Budget and Enrolment Committee

Date: 15 February, 2023

Report No.: 02-23-4485

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-wing, two-storey addition at Hollywood Public School to accommodate 493 pupil places and a childcare centre in the amount of **\$14,315,500** plus HST, subject to Ministry of Education (EDU) approval.
- (b) That Capital Services will request the Ministry of Education (EDU) to cover the shortfall of an additional **\$3,372,518**, where it is recommended that if the EDU does not provide additional capital priorities funding, Proceeds of Disposition (POD) funding will be requested instead to cover the capital shortfall.

Context

The TDSB's business case was submitted to the EDU in September 2017 identifying accommodation pressures at Hollywood PS, arising from development in the area, and the need for a classroom addition. The EDU approved the Board's business case on March 13, 2018 and granted initial capital priorities funding in the amount of **\$4,218,854** and childcare capital funding in the amount of **\$2,057,016**. The total project funding provided by the EDU was **\$6,275,870**.

In the Spring of 2019, the TDSB completed reviews of the proposed sketch plans with project stakeholders through the Core Design Team/New School Review Team meetings. The project design consists of interior renovations, two separate additions located on opposite sides of the existing building and exterior site improvements. The interior renovations will convert the existing gymnasium into two kindergarten rooms, an existing office into new staff washrooms and an existing stock room into a new universal washroom. The finalized sketch plan was presented at the June 6, 2019 FBEC meeting and subsequently approved by the Board on June 19, 2019.

The new north wing addition will consist of a new 5-room childcare centre on the ground floor with 4 new classrooms and new student washrooms on the second floor, as well as a new elevator to make the school fully accessible. The new south wing addition will add a new gymnasium complete with stage, warming kitchen, student changerooms and ancillary spaces to support gym operations.

Exterior site improvements include a new 50-space parking lot on the northeast corner of the property, a lengthened student pick-up/drop-off at the front of the school, a reconfigured main entry complete with ramps to allow for accessible entry into the building and reinstatement of play areas following completion of the construction. After the addition and renovation are completed, the school will have a capacity of 493 pupil places. The existing portables will be removed from the site following completion of the project.

In June 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 **\$7,059,820** of capital priorities and **\$2,161,359** of childcare capital were requested to cover the anticipated project costs. The EDU subsequently provided ATP to Tender on July 28, 2022, with an approval of additional funding as detailed in the table below:

	B	C	D	E
	Original Approved Funding, March 2018	ATP Submission: TDSB Additional Funding Request July 2021	Additional Approved Funding from EDU, July 28, 2022	Revised Project Budget After July 2022 Funding
Capital Priorities Funding	\$4,218,854	\$7,059,820	\$5,090,209	\$9,309,063
Childcare Capital Priorities Funding	\$2,057,016	\$2,161,359	\$756,592	\$2,813,608
POD	\$0	\$0	\$3,374,378	\$3,374,378
Total	\$6,275,870	\$9,221,179	\$9,221,179	\$15,497,049

Action Plan and Associated Timeline

Due to the extended amount of time between submission of ATP to tender and receiving approval from the EDU (approximately twelve months), Staff requested an updated cost estimate from the Cost Consultant to reflect current market conditions. The revised estimate indicated a construction value of **\$14,300,000**.

The project was issued for tender (PM23-254T) on December 13, 2022 to seven pre-qualified General Contractors (GCs) and closed on January 19, 2023. Of the seven pre-qualified GC's only one submitted a bid. The single bid was from Pre-Eng Contracting Ltd. at **\$14,315,500**.

The pricing received from the single bidder was **\$2,326,500** over the previous estimated construction budget of **\$11,989,000**, which was submitted to the EDU in June 2021. The more recent cost estimate was undertaken in the Fall of 2022, close to issuance of the tender and consequently reflects current market conditions and construction prices, consistent throughout Ontario and North America, impacted by increased equipment, labour and material costs.

The EDU has been informed of the construction overage and the TDSB has issued a revised ATP to request additional funds in the amount of **\$3,372,518**. Of the **\$3,372,518** required to cover the project shortfall, **\$2,103,282** has been requested from capital priorities and **\$1,269,236** has been requested from childcare capital. The EDU may approve the use of POD to cover the overage and/or provide additional capital priorities funding for all or a portion of the overage.

Additional EDU approval is required prior to the award and signing of the construction contract if the total project cost, including the construction low bid amount, the project soft costs, contingency and net HST, in combination, exceeds the approved project budget of \$15.497M as noted above.

The tender validity date ends 60 days past 19 January 2023.

Enrolment growth at Hollywood PS is projected to continue with the school anticipated to be at 142% utilized by 2028. Re-tendering the project at a later date may not result in any cost reductions as the construction industry continues to be under pressure as noted above, including a significant amount of infrastructure and residential projects planned for the next 10 years across the province. Subject to receiving Board and EDU approval, construction of the Hollywood additions is currently targeted to commence in April 2023 with an anticipated construction duration of 18 to 20 months.

Resource Implications

Total Revised Project Cost (Inclusive of construction overage):

Construction Cost	\$ 14,315,000
Soft Costs	\$ 2,630,006
Project Contingency	\$ 1,525,096
HST	\$ 398,965
Total Revised Project Cost	\$ 18,869,567
Less Current EDU Approved Funding	\$ (15,497,049)
Additional Funds Requested from EDU	\$ 3,372,518

The previously approved funding was allocated from **\$9,309,063** capital priorities, **\$2,813,608** childcare capital and **\$3,374,378** in POD funding. This report recommends approval of up to an additional **\$3,372,518** POD funding in the event that the EDU does not support the additional capital grant funding but allows for the use of POD. Back in June 2021, the Board had approved \$6,000,000 in POD funding for this project should the Ministry not provide additional funding to cover the shortfall based on cost estimates at the time.

Communications Considerations

A community update on the current project status will be included on the Hollywood PS project website. 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

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