

May 7, 2021

Toronto District School Board  
Capital Project Management Office  
15 Oakburn Cr.  
Toronto, ON M2N 2T5

Att: Mr. Salvatore Beltrano, BArch, OAA, MRAIC  
Manager, Capital Project Management

via email to: [salvatore.beltrano@tdsb.on.ca](mailto:salvatore.beltrano@tdsb.on.ca)

RE: Bloor CI Replacement School, 90 Croatia Street  
Market Conditions

Dear Sal,

Your email of May 3, 2021 (attached) confirmed that the TDSB has received Approval to Proceed to Tender (ATP) from the Ministry of Education, which we understand is based on the \$35,110,038 estimate of probable construction cost included in the ATP Submission of November 2019, and directed the Consultant team to prepare the Bloor Collegiate Replacement School Project for tender.

Based on your May 3<sup>rd</sup>, 2021 email, we confirm that the Board has approved the Construction Documents and the latest estimate of probable Construction Cost noted above, upon which we will be going out to tender. However, we are writing to advise the Board that this latest agreed upon estimate of probable construction cost, noted above, can no longer be relied upon as a current estimate of probable construction cost due to the passage of time and current market conditions.

Please refer to the enclosed Memorandum from Turner & Townsend, the Project's Quantity Surveyors, dated May 5, 2021, detailing the current extraordinary market conditions and their professional opinion regarding potential tender pricing for the Project in Q2 2021 as compared to Q4 2019, when the latest estimate of probable construction cost was completed. The current market conditions are very volatile, and Turner & Townsend anticipate an overall 11% to 18% increase in Construction Cost as compared to the latest estimate.

In addition to the cost implications, the current market conditions are negatively impacting construction schedules. Covid protocols, labour and material shortages, and the generally volatility of the market are causing significant delays. As a result, the previously anticipated construction duration of 26 months for this Project may no longer be achievable under the current market conditions.

The latest agreed estimate of probable Construction Cost as noted above is approximately 18 months old, which greatly exceeds the three month threshold noted in GC 3.3. In addition, and in particular, it was prepared prior to the Covid-19 global pandemic, which has massively impacted construction costs and schedules. The Turner & Townsend Memorandum states the following:

"... Turner Townsend has been seeing extra ordinary material price increase in the current market compounded by robust (very busy and therefore high demand) construction activity which is projected to continue for the balance of 2021. These significant "spike" / increases was observed at the beginning of 4Q2020 and primarily driven by supply chain issues related to COVID-19."

These market conditions clearly fall under the parameters of GC 3.5, "extraordinary market conditions or other factors not reasonably foreseeable by or under the control of the *Architect*."

At this time, we are proceeding to finalize the tender documents per your direction, for the anticipated tender release date of May 18, 2021.

Sincerely,

A handwritten signature in black ink, appearing to read 'R Moncarz', followed by a period.

Rochelle Moncarz, OAA, MRAIC, LEED AP  
Principal  
Snyder Architects Inc.

cc. Maia Puccetti, TDSB  
Terry Leventos, TDSB



## Memorandum

**From:** Marcos Sibal; Turner Townsend

**To:** Rochelle Moncarz

**Date:** May 5 2021

**Company:** Snyder Architects

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### TDSB Bloor Collegiate

As requested we reiterate that Turner Townsend has been seeing extra ordinary material price increase in the current market compounded by robust (very busy and therefore high demand) construction activity which is projected to continue for the balance of 2021. These significant "spike" / increases was observed at the beginning of 4Q2020 and primarily driven by supply chain issues related to COVID-19.

The "extraordinary" increase range from a minimum of 15% to as high as 25% for building materials that include but not are not limited to metal stud / metal framing, drywall and insulation, rebar, structural steel, metal fabrications, lumber and wood related products , sheet metal (ductwork) etc. Turner Townsend is unable to advise when the cost of these materials would return to "normal " levels but expect this level of pricing and volatility to continue for most of 2021 and certainly would be a risk factor for this project as we understand it is currently out for tender.

We have attached herewith some feedback we have received from trades for you reference. Please be advised that these rate premiums or the escalation from 4Q 2019 have not been accounted for in our last class A estimate of October 2019. We strongly recommend, therefore, that the Owner should account for this risk as follows (assuming the project will be tendered in 2021 :-

- 1) Escalation from 4Q 2019 to 2Q 2021 – approximately 6% to 8%
- 2) Impact Extra Ordinary Material Price Increase - 5% to 10% of hard construction cost

Therefore, in our opinion, the overall increase to the project (hard cost only) is in the region 11% to 18/%.





# NOTICE OF INCREASE

Revised : December 18<sup>th</sup>, 2020

Dear Valued Customer;

Master Building Materials will increase prices on the following products as per the announced price increases from our manufacturers. Please take note that many products are in tight supply. Please speak to our team in order to coordinate availability of products.

## \*\*\* EFFECTIVE NOVEMBER 1<sup>ST</sup> 2020 \*\*\*

<b>CGC</b>	- Ceiling Grid, Specialty Ceiling, Commercial Tile	10%
	- Fiberglass Tile, Curvatura, Celebration Accessories	20%

## \*\*\* EFFECTIVE NOVEMBER 1<sup>ST</sup> 2020 \*\*\*

<b>Fiberglass Ins.</b>	- Batt Insulation and Basement Blanket Rolls	6%
	- Loosefill, Blowing Wool	8%

## \*\*\* EFFECTIVE JANUARY 1<sup>ST</sup> 2021 \*\*\*

<b>Rockwool</b>	- AFB, Cavityrock, Cavityrock Black, Comfortbatt Wood & Steel,	4%
	- Comfortboard 80 & 110, Curtainrock, Rockboard, Rockwool Plus MB,	4%
	- Safe, Safe "N" Sound, Safe "N" Sound Floors, Toprock	4%

### **Metal Framing**

- All Metal products	10%
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<b>POLY CGSB</b>	4%
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<b>FOAMULAR BOARDS</b>	10.25%
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## \*\*\* EFFECTIVE FEBRUARY 1<sup>ST</sup> 2021 \*\*\*

### **Metal Framing**

- All Metal products	15%
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<b>ROCKFON</b>	- All Products	7 % - 10 %
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If you should have any questions or concerns, please contact your local Sales Manager.

Thank you for your continued support.

Loreto Iacobelli



**Attn: OSSFA Members – Urgent Notice**

**December 9<sup>th</sup>, 2020**

Re: Raw Material Price Increases

We are updating our membership on another wave of historic price increases. OSSFA last reported this back in June 2018 when the steel tariffs dramatically increased steel material by 25% overnight. Many of our members were hit hard from that event 2.5 years ago.

**We have seen a steady rise in raw material prices since the spring of 2020.** This has impacted the direct cost we pay for steel decking, structural shapes- WF and the highest prices seen for HSS tubing. Because our raw cost for material is usually 50-80% of our final selling price. We cannot absorb these increases.

We caution our members that this reality is ongoing and beyond anyone's control. Many members are reporting they cannot honor prices from last month, let alone from the spring or summer bids they sent. It appears price increases are coming weekly- sometimes even the next day with no end in sight. We are at the mercy of the marketplace and our suppliers cannot guarantee how high it will go or for how long.

How can anyone bid to a fixed price Contract in this new reality?

Here are some Options to Consider:

1. Qualify all tenders that a final price will be agreed to at time of award with an allowance for future material increases. Booking quickly to limit future material increases.
2. To Hold a firm price. Book firm order with your Supplier and receive material in your yard. An agreement from your client for deposit to do this should be explained.
3. Just Say NO. If the project is retendered- then it would be assumed the prices will only keep increasing. Time is against anyone purchasing steel these days. A quick response/ decision is needed.

As always, an open and frank discussion with your clients needs to take place to properly explain this situation and impact. We hope you may use this letter to help explain the present situation. We would all like to avoid winners and losers during this time. By working together with our suppliers and customers we will get through this.

Best Regards,

**Gord Rados- OSSFA- Executive Director**



December 9, 2020

RE: Salit Steel Market Update

Dear Valued Customers,

The year 2020 has certainly been both challenging and unprecedented on many levels for all of us. Salit is one of the very few organizations that has survived a pandemic before and we are confident that we will all survive this. Although there are many months of hardships ahead of us, we are positive that the better times are ahead.

On top of the health, financial and the social psychological impacts of the pandemic; we in the steel industry are facing some of the most challenging days ahead with severe shortages of supply and dramatic price increases. During the early phases of the pandemic, there was a severe reduction of industrial production worldwide which resulted in less scrap being produced and now there is a worldwide shortage. In April, the price of scrap was approximately \$180US/MT and today the price is \$335US/MT with expectations that there could be another increase of \$75US/MT in the next 60 days. In the steel industry flat rolled sheet, which is the largest product group in global steel trading, was approximately \$22US/CWT in May and since August the price has doubled to \$44US/CWT. That is a **100% increase**. All other steel products are following along this pattern with no relief in sight. The situation is changing daily and we are here to assist you in navigating through these turbulent times.

Many of you may remember 2004 and 2008 which had very similar rapid price escalations. Worldwide there is still an over capacity in steel making and over time things will return to normal.

**I strongly urge you to plan accordingly.** Salit prudently (more good luck than brains) has a very strong inventory and we are quite confident that we will be able to meet all of our existing commitments. There remains a great deal of uncertainty and panic in the steel market and we will do our best to work with you on all your future steel needs.

Please feel free to contact myself or any of my team for market updates.

As the year draws to a close we would like to thank you for your continued support and we should all be mindful of those less fortunate than ourselves.

Wishing you and your team a happy and **healthy** holiday season and new year.

Sincerely,



A handwritten signature in black ink, appearing to read 'Steve Cohen', with a stylized flourish at the end.

Steve Cohen  
President/CEO



## Material Price Charts

Hello,

As a valued colleague of Ocean Steel & Construction Ltd., and as someone with interest in the Structural Steel fabrication market, I wanted to share with you our internal price-tracking charts.

These charts show the trends of mill steel pricing for a few common sizes of W-Shapes, Hollow Structural Sections, and Plate.

The pricing for all shapes has risen drastically, primarily due to the increased price of scrap, and overall buyer demand.

If you have a project that requires a steel fabrication proposal please contact me directly;  
blakely.bernie@oceansteel.com

or cell: 506-650-7503

Thank you, and stay safe

W-Shapes

Hollow Structural Sections

Plate



sales@bmp-group.com • www.bmp-group.com

December 17, 2020

To: Our Valued Customers

**Subject: Price Increase – February 2021 (Update) Bailey Metal Products Limited**

Since our last increase announcement, there have been further and substantial interruptions in steel supply and prices continue to escalate at an unprecedented rate. Steel markets continue to consume more than current capacity can manage globally, creating severe shortages.

Despite our best efforts to buy from multiple mill sources to keep a consistent flow of raw materials, we are now experiencing some spot shortages and the threat of significant inventory outages nationally. Some mill orders have been delayed for months as they are caught in a backlog and lead times on future requirements are continually delayed. Domestic steel mills have implemented successive price increases over the last several months and have now applied an additional increase for January 2021.

As a result, Bailey Metal Products Limited is forced to revise our previously announced February price increase and implement the following:

**The price of all steel products in all regions will now be increased to 15% effective February 1, 2021.**

This increase is in addition to the previously announced price increase of 10% effective January 1, 2021.

We understand this is a very difficult time for our industry and will endeavor to keep you informed as the situation changes. Please contact your local Bailey representative with any questions or concerns, or if we can be of service in any way.

We appreciate your business and thank you for your continued support.

Sincerely,

Derick Vinthers  
Vice President, Sales

CC: Angelo Sarracini



**BAILEY® METAL PRODUCTS LIMITED**

One Caldari Road, Concord, Ontario L4K 3Z9

t. 905-738-9267

tf. 800-668-2154

f. 905-738-5712

[View Bailey Price Increase Announcement](#)

**Rigney Building Supplies**  
5 Terry Fox Dr.  
Kingston, ON K7K 6Y7  
(613) 544-9145

**Watson Building Supplies**  
733 Bayview Dr.  
Barrie, ON L4N 9A5  
(705) 734-2933

**Watson Building Supplies**  
130 Adam St.  
Belleville, ON K8N 2X9  
(613) 969-7070

**Watson Building Supplies**  
3191 Mainway  
Burlington, ON L7M 1A6  
(905) 637-1010

**Watson Building Supplies**  
120 Sheldon Dr.  
Cambridge, ON N1R 7K9  
(226) 894-5770

**Watson Building Supplies**  
481 Newbold St.  
London, ON N6E 1K4  
(519) 668-7510

**Watson Building Supplies**  
2-50 Royal Group Crescent  
Vaughan, ON L4H 1X9  
(905) 69-1898

[Unsubscribe](#) [dane.flynn@maxandrywall.com](mailto:dane.flynn@maxandrywall.com)

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Concord, Ontario L4K 3C3, Canada  
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[www.castleaccesspanels.com](http://www.castleaccesspanels.com)

December 16, 2020

**NOTICE: PRICE INCREASE EFFECTIVE JAN 10, 2021**

To our valued clientele,

Thankfully the year 2020 is almost ending and as we are coming to its close, hopefully the craziness that accompanied this year will follow suit. We have truly appreciated every sale our clients have continued to provide us with during these uncertain times. It is with deep regret that effective January 10, 2021, Castle Access Panels & Forms Inc will be implementing an increase of 5% on our Pop-out access panels and 8% on our Hinged access panels in order for us to maintain the same level of high quality of our products. Fortunately for our valued clients, over the last few years we have avoided increasing our prices to remain as competitive as possible even though our vendors have been increasing costs of the materials we require to manufacture and package our products. However, due to higher operating costs for the upcoming year which include transportation and increases in the prices of our materials and packaging used for our products that have been and continue to be implemented on our company by our vendors, we can no longer avoid increasing our prices for the upcoming 2021. This is our formal notice to inform our clients of the necessary forthcoming price increases and to give you adequate notice to manage and incorporate this change accordingly. All orders received on January 10<sup>th</sup>, 2021 going forward will be subject to a price increase, so we suggest taking advantage of stocking up on our standard sizes and submitting the orders by the close of business hours on the last business day before the price increase is implemented. Please note that lead time cannot be guaranteed.

Please feel free to reach out to our Castle Access Team at any time should you have any further questions or concerns regarding the price increase.

We greatly appreciate your continued support and thank you immensely for your business!

Warm regards,

Joey Rea  
President  
(905) 738-8089  
[castleaccesspanels@gmail.com](mailto:castleaccesspanels@gmail.com)

Judie Chow  
Director of Logistics & Client Relations  
(647) 333-7037  
[judie@castleaccesspanels.com](mailto:judie@castleaccesspanels.com)



## Foundation Building Materials

November 1, 2020

TO OUR VALUED CUSTOMERS:

Our **Suppliers** have notified us of the following increases:

<b><u>PRODUCT</u></b>	<b><u>ANNOUNCED DATE</u></b>	<b><u>INCREASE</u></b>
Armstrong Mineral Fiber & Fiberglass Ceiling Panels	November 16, 2020	10%
Armstrong Suspension System Products	November 16, 2020	10%
OC Foamular Foam Products	November 16, 2020	10.25%
CGC Grid & Accessories	January 1, 2021	10%
CGC Commercial & Retail Tile	January 1, 2021	10%
CGC Retail Fiberglass Tile	January 1, 2021	20%
CGC Specialty Ceilings	January 1, 2021	10%
CGC Celebration Accessories	January 1, 2021	20%
CGC Curvatura	January 1, 2021	20%
CT Batt & Blanket Insulation	January 1, 2021	6%
CT Loosefill Insulation	January 1, 2021	8%
Imperial Building Products	January 1, 2021	15%
JM Loose Fill Blowing Wool Products	January 1, 2021	8%
JM Residential & Commercial Batts	January 1, 2021	6%
OC Pink Fiberglas Batts & Rolls	January 1, 2021	6%
OC Blowing Wool	January 1, 2021	6%
OC Raft-R-Mates	January 1, 2021	8%
OC ProPink Complete Wall Fabric	January 1, 2021	10%
Rockwool Product Line	January 1, 2021	4%
Specified Technologies Inc. Products	January 1, 2021	3.5%

**Please take these increases into consideration when pricing jobs into the future.**

Your ongoing support of our products and company is truly appreciated. We look forward to your continued patronage. If you have any questions regarding these increases or specific job concerns, please give your FBM sales representative a call.

Sincerely,  
Ontario Branches of FBM

**Main Branch**

70 Roy Boulevard  
Brantford, ON  
N3R 7K2  
Tel: 519-752-0325  
Fax: 519-751-5730

**Cambridge Branch**

30 Goddard Cres  
Cambridge, ON  
N3E 0A9  
Tel: 519-884-1170  
Fax: 519-884-0595

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ACOUSTICAL TILE - DRYWALL PRODUCTS - METAL SUSPENSION SYSTEMS - STEEL STUDS

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January 4, 2021

To Our Valued Customers

**Re: Manufacturer Price Increases Announced**

Steel products	10%	January 1
<b>Plus additional</b>	<b>15%</b>	<b>February 1</b>
Rockwool – all products	4%	January 1
Armstrong ceiling grid	10%	February 1

We value your business and our commitment remains to serve your needs through quality service and competitive pricing.

# Building construction price indexes, third quarter 2020

**Released: 2020-11-05**

Prices for residential building construction rose 2.4% in the third quarter, the largest gain since the index was introduced in the first quarter of 2017, while the cost of non-residential building construction increased 0.4%.

All census metropolitan areas (CMAs) covered in this survey reported higher residential building construction prices. Non-residential building construction prices in Calgary, Edmonton and Vancouver were flat, while the remaining CMAs reported price increases.

## Building construction prices rise, despite the easing of COVID-19 restrictions

Supply chains for lumber continued to be strained as both supply and demand pressures drove lumber and other wood product prices up in the third quarter. Contractors also reported increased retail demand for lumber, with retailers selling directly to homeowners for do-it-yourself projects.

Increased demand was felt more strongly in the residential construction sector. According to the [Building Permits Survey](#), the total value of residential building permits rose 6.9% in September. [Residential building construction investment](#) increased 8.2% in August and exceeded pre-COVID-19 levels (February 2020).

Demand for building materials also increased in the third quarter. According to the [Sawmills survey](#), even though total softwood and hardwood production was up on a year-over-year basis in June (+0.7%) and July (+1.5%), these increases did not offset the steep year-over-year declines observed in April (-33.5%) and May (-18.7%) due to mill shutdowns. Although total softwood and hardwood production increased in June and July, shipments for those same products were down in June (-6.2%) and July (-0.7%).

from the previous year. This may be attributable to truck driver shortages and decreased rail car availability. Additionally, a strike at the Port of Montréal led to disruptions in regular port operations in August, which later trickled to other Canadian ports, creating further rail car imbalance across the country. Pressure treated lumber and oriented strand board were cited as the types of lumber products with the lowest available supply. The shortages for these products could continue well into the fourth quarter.

General contractors in the non-residential sector across Canada continued to face higher lumber prices and insurance rates and lower productivity due to COVID-19 physical distancing and hygiene requirements. As market uncertainty continues, general contractors reporting data for the Construction Contractors Survey indicated that they are bidding on fewer projects, reducing margins and constraining price increases.

As the seasonality of the construction industry slows demand in the fourth quarter, suppliers may have the opportunity to catch up on production and complete outstanding orders. This may help some contractors catch up on existing projects currently constrained under the new work conditions, as well as by ongoing labour and material shortages.

## **Construction costs rise for all residential building types**

Nationally, construction costs rose for every residential building type included in the survey in the third quarter, with increases ranging from 0.9% to 2.9%. The largest quarterly price increase was for townhouses (+2.9%), followed by single-detached houses (+2.8%).

Residential construction costs rose the most in Moncton (+3.3%), Edmonton and Calgary (both up 3.0%). Increased demand and low inventory for residential units, combined with higher lumber prices, drove construction costs up in Moncton. In Edmonton and Calgary, residential building construction prices were pushed upwards by higher lumber and insurance costs.

## **Non-residential building construction prices continue to rise**



Non-residential building construction costs rose 0.4% in the third quarter, following a 0.1% increase in the second quarter.

Against a competitive market backdrop with greater market uncertainty and fewer project tenders available, non-residential building costs remained flat in Vancouver, Edmonton and Calgary. General contractors in these cities have been absorbing increased material costs, resulting in lower profit margins.

Montréal (+1.2%) and Ottawa (+0.9%) reported the largest increases in non-residential building construction costs, citing increased overhead costs due to COVID-19, scheduled union wage increases and rising raw material costs.

## **Construction costs increase year over year**

Residential building construction costs rose 4.0% year over year in the third quarter, following a 2.1% increase in the second quarter.

Construction costs for residential buildings rose the most in Moncton (+5.3%), Ottawa (+5.0%) and Montréal (+4.6%) on a year-over-year basis.

Non-residential building costs (+1.4%) continued to rise during the 12-month period ending in the third quarter. The costs of factory buildings in Montréal and school buildings in both Montréal and Ottawa contributed the most to the increase in non-residential building construction costs.

Year over year, non-residential building construction costs rose the most in Montréal (+3.4%) and Ottawa (+2.9%) in the third quarter.

<https://www150.statcan.gc.ca/n1/daily-quotidien/201105/dq201105a-eng.htm>