

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of a Special Meeting of
MUNICIPAL COUNCIL
Held in Council Chamber, 210 Aberdeen Road, Bridgewater, NS
Wednesday, June 5, 2019 – 9:00 a.m.

ATTENDANCE

Mayor Carolyn Bolivar-Getson
Councillor Martin Bell, District 2
Councillor Lee Nauss, District 3
Councillor John Veinot, District 4
Councillor Claudette Garland, District 6
Councillor Wade Carver, District 7
Councillor Michael Ernst, District 8
Councillor Reid Whynot, District 9
Councillor Errol Knickle, District 10

Regrets: Deputy Mayor Cathy Moore, District 5
Councillor Eric Hustvedt, District 1

Staff: Kevin Malloy, Chief Administrative Officer
Alex Dumaresq, Deputy Chief Administrative Officer
Sherry Conrad, Municipal Clerk
Stephen Pace, Director of Engineering & Public Works
Elana Wentzell, Director of Finance
Sarah Kucharski, Communications Officer
Tina Robichaud-Bond, Executive Assistant

1. CALL TO ORDER

Mayor Bolivar-Getson called the meeting to order at 9:00 a.m.

Mayor Bolivar-Getson proclaimed June 7, 2019 as German Heritage Day.

2. PUBLIC INPUT (Nil)

3. AWARDING OF TENDERS/RFPs

3.1 Award of Tender # 2019-01-002 - Road Maintenance – Grading & Dust Suppression

Jamie Burgess, Municipal Engineer, was in attendance.

Mr. Burgess reviewed his report, “Road Maintenance Tender Grading and Dust Suppression” (circulated with the Agenda).

Moved by Councillor Veinot, seconded by Councillor Garland that Municipal Council award the Municipal Road Maintenance Grading and Dust Suppression Tender 2019-01-002 to Town and Country Property Improvements Limited for \$211,302.10 plus HST. Carried unanimously.

In response to a question, it was clarified that in previous years, estimates were based on higher units which created a higher cost. This year's costs are based on less units. Mr. Burgess noted that both bidders are using the same type of dust suppression but one bidder's costs are much lower.

It was noted that complaints received from residents were around dust suppression. Mr. Burgess advised that a new dust suppression product will be used that is made up of magnesium chloride, and the application rates specified should allow for only 1 to 2 applications per season. Mr. Burgess further advised that the tender was written to include both grading and dust suppression to ensure that both are done at the same time.

The Motion on the floor was voted on and carried unanimously.

Mr. Burgess left the meeting.

3.2 Award of Phase 2, New Municipal Building

Stephen Pace, Director of Engineering & Public Works, Elana Wentzell, Director of Finance, and Andrew Amos, Senior Partner, Catalyst Consulting Engineers, were in attendance.

Mr. Amos reviewed his report, "Recommendation to award Phase 2 Tender, New Municipal Building Project", (circulated with the Agenda), and gave a presentation (attached to Minutes), highlighting the following:

- Three bids received
- Mill work, Mechanical, and Electrical components were higher than anticipated
- Lack of competition among subtrades expected reason for higher bids
- Options going forward
 - Redesign plans and retender at a later date
 - Renovate and build addition to existing building
 - Move on recommendation as presented

Mr. Amos explained that if the contract were awarded to Roscoe Construction, they would have to hold their bid for 60 days, allowing time to negotiate the costs of the higher priced elements with the subcontractors. This would also allow for the construction to begin without delay, as a delay could increase costs by adding winter construction premium fees. It was noted that the tender was prepared to allow for awarding elements of the contract.

Discussions ensued regarding the following:

- Borrowing funds to cover additional costs was not an option
- Funding opportunities through grants were being pursued
- Sale of current administration building not factored in bottom line
- Existing projects to be reviewed for possible cost reduction deferrals
- Current building deficiencies, safety and accessibility issues
- Capital Budget implications
- Debt free schedule and maintenance of current tax rate not to change
- Possible changes to the design to reduce costs

Moved by Councillor Nauss, seconded by Councillor Garland that Municipal Council award Tender 2019-05-002 Municipal Services Building, Cookville up to a maximum contract value of \$6,562,793.64 as submitted by Roscoe Construction plus a change order contingency of \$220,000 for a total maximum contract amount of \$6,782,793.64 plus HST; and, that Council authorize the Project Manager to negotiate on value engineering options to reduce the project total.

Concerns were raised around awarding the contract before negotiations were finalized with the subcontractors. Mr. Amos explained that the award of the contract at this time was crucial to avoid delays in beginning the construction phase. The awarding of the remaining components would be subject to successful negotiations with the subcontractors.

Ms. Amos provided cost reduction opportunities as follows:

- Material changes – use less costly brands
- Reduced aesthetics – wood vs brick
- Reduced energy efficiency – reduce to 30% energy code
- Reduced quality – shingles vs metal roofing
- Reduced functionality of outdoor space

It was noted that the changes above would have implications:

- A shingled roof would create costs for a future Council
- Changing to all wood would have an impact on the foundation work

The Motion on the floor was voted on and carried. Those Opposed: Councillors Knickle, Ernst, and Veinot.

It was suggested that the additional funds required to fund the project would be taken from the existing capital budget, and that staff would review budget items and grants to potentially offset costs.


Moved by Councillor Bell, seconded by Councillor Garland that Municipal Council direct staff to identify revisions to the 2019-20 Capital Budget to fund the additional \$1,105,261 required to proceed with the Municipal Services Building Project. Those Opposed: Councillors Ernst and Knickle. Carried.

Moved by Councillor Nauss, seconded by Councillor Carver that when material changes are considered for the new municipal services building that the steel roofing not be a considered an option change meaning that asphalt roofing will not be considered to replace steel roofing material and that the steel roof be a quality heavy gauge grade. Carried unanimously.

15. ADJOURNMENT

There being no further business at 10:27 a.m., it was moved by Councillor Carver seconded by Councillor Whynot that the meeting adjourn. Carried.

Administrative Building





DISTRICT OF LUNENBURG
INC. 1879

June 2019

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New Building Construction



| Element | Pre-Tender estimate | Low bidder | Variance | % variance |
|----------------------------|---------------------|------------------|------------------|--------------|
| General Requirements | 420,565 | 322,555 | -98,010 | -23.3% |
| Structure and foundation | 2,713,200 | 2,777,832 | 64,632 | 2.4% |
| Earthworks & site services | 736,034 | 746,696 | 10,662 | 1.4% |
| Millwork | 118,800 | 281,245 | 162,445 | 136.7% |
| Mechanical | 882,208 | 1,337,889 | 455,681 | 51.7% |
| Electrical | 629,877 | 1,100,000 | 470,123 | 74.6% |
| Total = | 5,500,684 | 6,566,217 | 1,065,533 | 18.3% |

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New Building Construction



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New Building Construction

- Millwork variance is a mix of limited competition, how and where they captured costs and accreditation premiums.
- Mechanical and electrical appear to be a mix of issues but primarily lack of competition due to a heated market as identified as a high risk in January.

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New Building Construction

Look back at the Phase 1 sitework tender results:

- Low Bidder (Dexter) \$291,000
- Estimated tender amount \$315,000
- 2nd low bidder \$498,000
- 3rd low bidder \$535,000



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New Building Construction

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New Building Construction

Re-design and re-tender at a later date – Typically when a project is over budget, there is an option to cancel the tender and re-design to trim the costs. This typically would include reductions in both scope and quality but in our specific case, there has been an ongoing effort to maintain a scope and level of quality commensurate with the drivers of the project and requirements of the Owner. There is very little to be “cut” in this project and re-tendering would in no way guarantee a lower cost from the 3 trades which were excessive during this round. In addition, there is a real risk of alienating the contractors which bid this time and they could choose not to re-offer. Accordingly, we do not recommend proceeding with this option.



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New Building Construction

The second option for solving the accommodations issue for MODL municipal operations was to renovate existing and build an addition. For perspective, this option was \$1.5 M more extensive than the recommended (current) option of New Construct. The difference, based on the current tender result, is \$1.1 M so the option of New Construct is still less expensive than the option of renovate existing and build an addition. It is also important to note that the renovate / add option included the same assumed rates for millwork, mechanical and electrical therefore the actual cost of this option would be subject to the same additional cost pressures as the new construct option. Accordingly, we do not recommend proceeding with this option.



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New Building Construction

The recommended motion represents the lowest cost and most timely solution to the current serious accommodations challenges (Code, safety, energy efficiency, undersized, functionality, etc.). The additional funding required reflects the cost to construct at this point in time and the process to date mitigated the risks to the greatest extent possible.



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New Building Construction

Recommended Motion

In light of discounting the two alternatives listed above and if Council wishes to accept the award recommendations noted previously herein than the following motion is in order:

That Municipal Council award tender #2019-05-002 Municipal Services Building, Cookville up to a maximum contract value of \$6,562,793.64 as submitted by Roscoe Construction plus a change order contingency of \$220,000 for a total maximum contract amount of \$6,782,793.64 plus HST; and, that Council authorize the Project Manager to negotiate on value engineering options to reduce the project total



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New Building Construction

Types of Cost Reduction Opportunities Available

- Material changes (alternate brands, types of products)
- Reduced aesthetics (e.g. brick to pre-finished wood)
- Reduced energy efficiency
- Reduced quality (e.g. metal roof to asphalt shingle)
- Reduced functionality (e.g. pavers to sod)



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Group Discussion



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