

Terrace Lodge Redevelopment Steering Committee Meeting Agenda

Date: 22 January 2021

Time: 1 pm

Location: WebEx Meeting – Elgin County to host

1.0 Review of Minutes

1.1 Steering Committee July 28th, 2020 meeting minutes.

2.0 Construction Cost

2.1 D Grant Subtrade Bid Package Summary.

2.2 D Grant construction budget for approval.

2.3 D Grant CCDC5B Article A-8 Appendix Stipulated Price Option

3.0 Project Budget

3.1 County project budget for approval.

4.0 Construction Schedule

4.1 D Grant to mobilize on site week of February 8, 2021.

5.0 MLTC FEC Approval

5.1 County & MMC to complete MLTC FEC after Council January 26th mtg resolution.

5.2 D Grant to compile Subtrade Bid Packages as required by MLTC.

6.0 Sod Turning

6.1 County to contact Province, date to be determined?

7.0 Next Meeting

7.1 TBD

END

TERRACE LODGE REDEVELOPMENT STEERING COMMITTEE

Minutes of Meeting

July 28, 2020 at 1:00 pm

The Terrace Lodge Redevelopment Steering Committee meeting was held on Tuesday, July 28, 2020 via WebEx.

Committee Members Present: Bob Purcell – Elgin County Councilor/Chairman
Dave Mennill – Elgin County Warden
Mary French – Elgin County Councilor
Tom Marks – Elgin County Councilor

Staff Members Present: Julie Gonyou – Chief Administrative Officer
Jim Bundschuh – Director of Financial Services
Michele Harris – Director of Homes and Senior Services
Cole Aicken – Building Science Technologist
Eugenio DiMeo – Corporate Facilities Manager

Consultants Present: Allan Taylor – Project Manager
Gail Kaufman Carlin – Health & Senior Services Consultant
David Heintz – MMMC Architects
Victoria Pilles – MMMC Architects

Regrets: Brian Lima – Director of Engineering Services
Steve Willis – D. Grant
Darrell Gerrits – D. Grant

Call to Order

Chairman Purcell called meeting to order at 1:00 pm.

Discussion

1. Review of Minutes
 - 1.1. Steering Committee June 23rd Minutes – Not yet available. Minutes to be prepared by Elgin County and/or MMMC. Review deferred to next meeting.
2. Schedule
 - 2.1. Issued for Bid Documents – Bid documents to be released after 11 August 2020 Council decision about IP&C redesign items. Consultants to wait for decision before proceeding with redesign.
 - 2.2. Project Schedule – 16 June 2020 update further delayed by 1½ months.
 - 2.3. Start Date – Construction start date January 2021 at earliest. Steering Committee advised that spring 2021 start date would be acceptable, if conditions are more favourable. D. Grant to decide whether winter or spring start.
3. Construction Manager
 - 3.1. Class B Construction Budget Update – D. Grant to provide costing for IP&C items and related premium by 4 August 2020.

3.2.D. Grant to also provide update on general bid environment and market changes.

4. Budget

4.1. Provincial Funding Policy – Jim Bundschuh overview of Funding Summary and updates to Provincial Funding Policy. Revised budget is estimated to be \$33,015,650. Revised MLTC funding is estimated to be \$17,590,000 (contribution increased by approximately \$4M). Revised Elgin ratepayer funding is estimated to be \$15,425,650. Steering Committee requested that JB prepare comparison to previous summary and circulate to all members.

4.2. Nurse Call System – Bob Purcell, Dave Mennill, Mary French, and Tom Marks support upgrading existing Maxivox Nurse Call System to Austco IP Nurse Call System for entire building (\$100,000).

4.3. Dining Room Operational Cost Review – MMMC overview of design options for dining space and Michele Harris overview of advantages and disadvantages of each design, with regards to staffing requirements and resident quality of life. MH noted that current design would require additional staffing and increased operational costs, but redesign would not require additional staffing or operational costs. Gail Kaufman Carlin overview of resident needs for assistance and supervision during meals. Jim Bundschuh overview of finances associated with each design option. Scenario #1 (COVID-like pandemic every 30 years) would provide cost savings of \$68,951 and would payback after 11 years. Scenario #2 (COVID-like pandemic every 100 years) would provide cost savings of \$49,628 and would payback after 15 years. Scenario #3, in which social distancing does not remain a standard requirement for outbreak situations, would carry a cost penalty of \$17,645 per year.

5. Architectural IP&C

5.1. Staff Locker Room – Bob Purcell, Dave Mennill, Mary French, and Tom Marks support adding 138 half-height lockers for staff to design (\$10,000).

5.2. Dining Capacity – Bob Purcell and Dave Mennill not in favour of redesign to add additional dining space (\$750,000). Tom Marks in favour of redesign to add additional dining space. Mary French recognizes benefits of larger dining area, even in non-pandemic situations, and recommends Council have discussion about redesign to add additional dining space. Steering Committee agreed to fully endorse request for additional \$435K (COVID construction cleaning allowance, nurse call system, staff lockers, oxygen storage) to Council, and recommended that County staff make a presentation to allow Council to decide about increased dining capacity (additional \$750,000). MH and JB to prepare report and presentation, including recommendation from staff.

6. Mechanical IP&C

6.1. Oxygen – Bob Purcell, Dave Mennill, Mary French, and Tom Marks support adding dedicated oxygen storage to the design, without increasing building footprint (\$100,000).

6.2. Negative Pressure Bedrooms – Bob Purcell, Dave Mennill, Mary French, and Tom Marks support upgrading VFC units to allow switching to negative pressure mode (most cost-effective solution). MMMC to confirm whether this will increase budget based on D. Grant 4 August 2020 update.

7. Next Meetings

7.1. TBD, based on 11 August 2020 Council decision.

Adjournment

Moved by ??
Seconded by ??
-

Carried



REPORT TO TL REDEVELOPMENT STEERING COMMITTEE

FROM: Jim Bundschuh, Director of Financial Services

DATE: January 22, 2021

SUBJECT: T/L Redevelopment Project Budget

RECOMMENDATION:

THAT the Terrace Lodge Redevelopment Steering Committee recommend a project budget of \$34,457,759 exclusive of HST; and,

THAT the CAO and Warden be authorized to sign an Acceptance of Cost Letter to D. Grant; and,

THAT January 22, 2021 report, titled "T/L Redevelopment Project Budget", submitted by the Director of Financial Services, be received and filed for information.

INTRODUCTION:

The tenders were issued with separate and alternate prices to provide the Steering Committee with options when considering the pricing versus the approved budget. Recently announced provincial funding changes will provide the Committee with the ability to recommend supplementing the current approved budget without increasing taxes. In fact, a portion of the provincial funding can be used to fund the August 11, 2020 Council approved \$1.2 million in COVID increases (COVID construction premium, increased dining space, oxygen room, enhanced staff locker rooms).

DISCUSSION:

The tender bids have resulted in a preliminary Construction Manager cost of \$27,932,704 exclusive of separate price allowance and alternate prices. If all separate price allowances and alternate prices were approved at a cost of \$1,026,530, the total Construction Manager costs would be \$28,959,234.

In addition to the Construction Manager costs, there are ancillary/soft costs totaling \$5,498,525 and non-recoverable HST of \$605,156. The major components of the project costs include design, project management, as well as fixtures and equipment.

Total Construction w/ Kitchen & Post-Construction Costs	27,932,704
Separate Price Allowances/Alternate Prices	1,026,530
Sub-Total Project Costs	28,959,234
Design Fees	1,807,787
Project Management	650,000
Specialty Consultants	120,000
Legal Fees/Munic. Planning Costs	100,000
Fixtures and Equipment	858,825
IT Equipment	1,040,000
Moving Allowance	150,000
Permit	115,000
Window Glazing/Entry Way	105,000
Misc	-
Provision	338,913
Design Costs (pre-2020)	213,000
Total Ancillary/Soft Costs	5,498,525
Sub-Total Project Costs	34,457,759

The total project cost estimate, including separate price allowances, alternate prices and ancillary/soft costs exclusive of HST, is \$34,457,759. The separate price allowances and alternate prices of \$1 million deserve a closer review to enable the Steering Committee to make an informed decision on which components should be included in the construction:

Separate Prices

- Separate Price #1 New Chapel Ceiling \$88,805: Originally intended to be in the base scope but was revised to a Separate Price during design to address potential budget overage. Note that actual prices are less than budget allowances.
- Separate Price #2 Gift Shop including Millwork Display Shelving \$77,850: Originally intended to be in the base scope but was revised to a Separate Price during design to address potential budget overage. Note that actual prices are less than budget allowances.
- Separate Price #3 Pool Change Rm & Men's WR Renovations \$63,020: Originally intended to be in the base scope but was revised to a Separate Price during design to address potential budget overage. Note that actual prices are less than budget allowances.
- Separate Price #4 Surface Moisture Barrier on Phase 1 Slab-On-Grade \$81,125: D Grant recommendation that is carried as a provisional cost, which will only be incurred if the moisture content in the new Slab-On-Grade was too high at the time when finished flooring needs to be installed, and the completion schedule would otherwise be delayed.
- Separate Price #5 Replacement of existing roof, parapet flashing and Entry Lobby Skylight \$400,000: Recommendation of Cion Coulter Roof Investigation Report. Amount is a budget allowance with a firm price to follow after approval to proceed with construction.
- Separate Price #6 Johnson Controls Building Automation System Enterprise Management Platform (JEM) \$109,393: Johnson Controls Enterprise Management (JEM) is a cloud-based enterprise building performance analytics and optimization software solution that hosts a number applications that provides intelligent building performance comparisons, and lifecycle management to support modern building operations, asset performance management, tenancy, and work order management. JEM which works with the County's existing Metasys® Building Automation System (BAS), provides a holistic view and insights at every space, with respect to equipment operation, energy management, and asset performance starting from the portfolio down to sub-spaces within a building. This highly flexible user-centric solution which uses powerful analytics to identify real-time energy and equipment anomalies and will proactively notify the Home's maintenance team member and facility management staff of any energy and equipment-related problems 24/7; affording proactive timely service interventions well in advance of system and equipment failures, and ensure Ministry and local health unit compliance.

Alternate Prices

- Alternate Price #1: Unless a quote for a pre-fabricated handrail system (including brackets) is received that results in a credit, when compared to the custom millwork handrail (which includes brackets) in the base contract, this Alternate Price is not recommended.
- Alternate Price #2 Pre-finished Linear Metal Soffit on the underside of two existing 2nd floor Dining Rm balconies, and two new 2nd floor Lounge balconies \$52,700: This is recommended so the underside of the 2nd floor balconies match the renovated North and South wing 2nd floor soffits at the underside of the sloped metal roof.
- Alternate Price #3 Cold Applied Mod Bit Membrane Roofing \$47,175: This eliminates the pervasive odor from hot applied asphalt, and is consistent with Elgin County typical approach when installing flat roofs on occupied buildings.
- Alternate Price #4 Bedroom Sheet Floor Integral Flash Cove Base (Upper North & South Wing both floors) \$54,550: All but eliminates the potential for urine on floor to soak into the drywall or concrete substrate, improving indoor air (reduces smells) and extends service life of drywall and finished floor.

Mechanical Alternate Prices

- Alternate Price #M1 Automated 'Brain' Digital Recirculating [Tempered Hot Water Mixing] Valve \$4,100: recommend pursuing this separate price, as this is the premium expected and this device provides improved monitoring of domestic hot water recirculation temperatures as well as reporting capabilities.
- Alternate Price #M3 – JCI price D2 \$47,812: upgrade of the local controllers in the existing building is recommended to be included so that legacy products are removed from site.

FINANCIAL IMPLICATIONS:

In December, the province confirmed changes to the funding for LTC development. The Construction Funding Subsidy per diem is increased to \$21.28, providing the equivalent of \$1.9 million in incremental funding. Additionally, the province has announced development grant of up to \$2,492,000. Given that the details of the grant are still pending, staff are conservatively including only 40% of the grant in this analysis.

Sub-Total Project Costs	34,457,759	
Non-Recoverable HST	606,457	
Total Project Cost Estimate	35,064,215	
Council Approved Redevelopment Budget	33,774,100	
Dec 2020 announced per diem	1,933,970	
Dec 2020 Development Grant (up to \$2.49 mil - assume 40%)	996,920	40%
Donations Budget	TBD	
Total Potential Budget	36,704,990	
Cum Redevelopment Surplus/(Shortfall)	1,640,775	

When the Construction Funding Subsidy per diem and 40% of the available Development Grant are added to the Council approved budget, the funding available for this project is \$36,705,000. This total funding is \$1.6 million in excess of the total project cost inclusive of all separate price allowances, alternate prices and non-recoverable HST. Council could direct these excess funds to purposes it deems appropriate, including other service enhancements or a tax reduction of up to 0.6%. It is important to note that this is being achieved while including all the desired features of the separate price and alternate price components.

In addition, since only 40% of the Development Grant maximum is included in this analysis. Once the province announces the actual amount of the grant our project will received, any amount over the 40% allocated in this report can be considered for other purposes, including as a reserve for this project. Given the level of investment that Elgin is committing to in this project, it is quite likely that well in excess of 40% of the maximum grant amount will be obtained.

ALIGNMENT WITH STRATEGIC PRIORITIES:

Serving Elgin	Growing Elgin	Investing in Elgin
<ul style="list-style-type: none"> ☒ Ensuring alignment of current programs and services with community need. ☒ Exploring different ways of addressing community need. ☒ Engaging with our community and other stakeholders. 	<ul style="list-style-type: none"> ☒ Planning for and facilitating commercial, industrial, residential, and agricultural growth. ☒ Fostering a healthy environment. ☒ Enhancing quality of place. 	<ul style="list-style-type: none"> ☒ Ensuring we have the necessary tools, resources, and infrastructure to deliver programs and services now and in the future. ☒ Delivering mandated programs and services efficiently and effectively.

Additional Comments:

LOCAL MUNICIPAL PARTNER IMPACT:

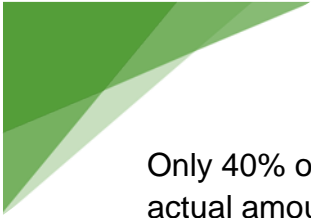
Aylmer and Malahide will be kept abreast of the project developments.

COMMUNICATION REQUIREMENTS:

A campaign kick-off was held in December and sod turning will be held with the province at a yet to be determined date. At this time staff and MMMC will work with the ministry to obtain FEC approval by the Ministry of Long-Term Care.

CONCLUSION:

With the new funding levels approved by the province, the Steering Committee would be able to recommend to County Council that the project budget be approved at \$34,457,759 exclusive of HST while providing Council with \$1.6 million in unallocated funds to be used for other purposes. It should be noted that these numbers are still preliminary. D. Grant will walk in their final numbers into the meeting on January 22.



Only 40% of the Development Grant maximum is included in this analysis. Once the actual amount of the grant to be received is determined, any amount over the 40% allocated in this report can be considered for other purposes, including as a reserve for this project.

It should be noted that the Steering Committee and Council has previously indicated that we will intentionally approve the construction budget and the start of construction prior to FEC approval by the Ministry of Long-Term Care. This will allow D. Grant to mobilize on site the week of February 8, 2021. D. Grant will require a letter from the County authorizing them to proceed.

All of which is Respectfully Submitted

Jim Bundschuh
Director of Financial Services

Approved for Submission

Julie Gonyou
Chief Administrative Officer





January 27, 2021

D. Grant Construction Limited
Attn: Steven Willis, Senior Estimator
9887 Longwoods Rd
London, ON N6P 1P2

Re: Terrace Lodge Redevelopment 100 Bed LTC Acceptance of Costs to Perform the Work

Dear Mr. Willis,

In accordance with the CCDC 5B-2010 contract dated June 11, 2019, County Council at its regularly scheduled meeting on January 26, 2021 has approved the construction budget in the amount of \$28,959,234, HST extra, for the Terrace Lodge Redevelopment.

Please confirm this Letter of Intent is sufficient for D. Grant Construction Limited to initiate construction and mobilize to site in the next two weeks. Also, please arrange to submit the required bonds and insurances to MMMC Architects Inc.

It should be noted that the County has intentionally approved the construction budget and the start of construction prior to FEC approval by the Ministry of Long-Term Care.

Yours truly,

Julie Gonyou
Chief Administrative Officer

Tom Marks
Warden

cc: MMMC Architects
Forth Rail Management Inc.
Jim Bundschuh, Director of Finance, County of Elgin

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