



City of
Peterborough

To: **Members of the General Committee**

From: **Richard Freymond**
Commissioner of Corporate and Legislative Services

Meeting Date: **February 8, 2021**

Subject: **Report CLSFM21-002**
Increase of Budget and the Contract Amount Awarded to
Mortlock Construction Ltd. for the Renovations of Two
Affordable Houses at 808 Sherbrooke Street and 953
Clonsilla Avenue.

Purpose

A report to recommend an increase of budget and the contract amount awarded to Mortlock Construction Ltd. for the Renovation of Two City Owned Houses at 808 Sherbrooke Street and 953 Clonsilla Avenue.

Recommendations

That Council approve the recommendations outlined in Report CLSFM21-002, dated February 8, 2021 of the Commissioner of Corporate and Legislative Services as follows:

- a) That the Capital Budget for the Renovations of Two Affordable Houses at 808 Sherbrooke Street and 953 Clonsilla Avenue be increased by \$53,957 from \$300,000 to \$353,957.
- b) That the contract for Construction Management Services with Mortlock Construction Ltd., P.O. Box 545, Peterborough, Ontario, K9J 6Z6, for the the Renovations of Two Affordable Houses at 808 Sherbrooke Street and 953 Clonsilla Avenue, be increased by \$70,263 from \$300,000 to \$370,263 plus HST of \$48,135 for a total cost of \$418,398
- c) That Consulting services for the project be awarded to Lett Architects, 138 Simcoe Street, Peterborough, Ontario, K9H 2H5 at a cost of \$11,475 plus HST of \$1,492 for a total cost of \$12,967.

Budget and Financial Implications

Through Report CLSFM19-007 Council approved the creation of a \$300,000 capital project for renovations to 808 Sherbrooke Street and 953 Clonsilla Avenue. Donations received in the amount of \$34,500 provided for total funds available for the project in the amount of \$334,500.

The additional \$53,957 net of the HST rebate, for an amended Budget of \$353,957 can be accommodated within the unused portion of the Social Services Homelessness Reserve, leaving an uncommitted balance of \$382,194.

Chart 1 Detailed Budget Costs

No.	Description	Amount
1	Total construction cost for both properties	\$370,263
2	Consultant design fess and contract administration	\$11,475
3	Total construction costs	\$381,738
4	Less original budget and donations received	\$334,500
5	Sub-total (budget shortfall)	\$47,238
6	City's portion of HST	\$6,719
7	Requested budget increase required	\$53,957
8	Original Budget	\$300,000
9	Amended Budget	\$353,957

Background

Through Report CLSFM19-007 dated August 12, 2019, Council approved creation of a capital project for renovations to 808 Sherbrooke Street and 953 Clonsilla Avenue. These houses would then be rented out as affordable transitional housing. \$300,000 was approved for these renovations and transferred from the Social Services Homelessness Reserve. The report outlined that the Chief Administrative Officer be delegated authority to award the contract through a Non-Standard Procurement process to expedite the work.

The City chose to retain a contract manager for this work. Many local businesses expressed an interest to donate materials and/or labour to accomplish this project. Therefore, a typical tendered stipulated sum contract would not be possible because donations could not be quantified at the time of design. Mortlock Construction Inc. was subsequently retained as the Contract Manager. Although influenced by the COVID

pandemic, a successful media campaign was launched and well received by the local business community with many donations in the form of building materials, skilled labour and monetary donations going towards the efforts.

The work at 953 Clonsilla Avenue was completed and three families were able to move in October 1st. The project at 808 Sherbrooke Street was completed in December of 2020 and is expected to be occupied in early 2021.

The additional \$70,263 is for work required on the project. Unforeseen work for the Clonsilla property consisted of additional asbestos abatement and structural changes that were not evident at the time of design. Both houses were vacant and unheated for an extended period before renovations began, requiring extensive plumbing repairs. In addition to the scope changes noted above, additional fire safety and fire rating requirements were required by the building code as was the implementation of COVID safety related measures for the construction workers.

The Project received three monetary donations totalling \$34,500. These donations were applied to the additional costs of construction and professional fees of totalling \$88,795 leaving a budget shortfall of \$54,295. Chart 2 provides a breakdown of the major scope changes and associated costs of each.

Chart 2

Additional Unforeseen Changes to Work of Two Affordable Houses

No.	Description of Changes in Scope, Services and Donations	Amount
1	Selective demolition and abatement	\$4,400
2	Rough carpentry, cutting/ patching/ finishing, and engineering due to additional structural requirements.	\$26,160
3	Plumbing pipe repairs	\$11,500
4	Additional fire separations/ ratings, devices, and sprinklers	\$24,703
5	Implementation of COVID safety measures	\$3,500
6	Total Additional Construction Costs	\$70,263
7	Professional Services	\$11,475
8	Sub-Total of Additional Costs	\$81,738
9	Monetary donations	\$34,500
Total Additional Construction Costs		\$47,238

Delegated Authority to Approve

Part 9.2.1 b. of the City's Procurement By-law 18-084 requires Council to approve budget transfers or creation when Net transfers of Approved Budgets are greater than \$50,000.

Summary

During the renovation of the two houses additional work was required that has caused the budget to increase by \$81,738. The house at 953 Clonsilla Avenue is currently housing three families and functioning well. 808 Sherbrooke Street is anticipated to be occupied by two families early in 2021.

Submitted by

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