



Council Report # 2018-23

Title: RFP 17-50 To Provide Architectural and Engineering Services For a New Build of a Long-Term Care Facility and Demolition of Existing Building

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Approved by: Jennifer Moore, Chief Administrative Officer

Strategic Plan: Sustainable Infrastructure and Services
Thriving & Inclusive Communities

Council Date: April 18, 2018

Recommendation

“Whereas Council authorized staff under Resolution 2017-08-23-184 to proceed with the development and issuance of an RFP to procure architectural, engineering and project management services;

And Whereas Council authorized staff under Resolution 2017-08-23-184 to utilize funds from the Golden Plough Lodge Reconstruction Reserve for financing this phase of the project;

And Whereas staff issued Request for Proposal (RFP) 17-50 To Provide Architectural, Engineering and project management Services for a New Build of a Long-Term Care Facility and Demolition of Existing Building;

And Whereas three (3) proponents submitted a proposal in response to this RFP, with all being short-listed through the proposal review process;

And Whereas Salter Pilon Architecture Inc. received the highest score of the three (3) proponents;

Now Therefore Be It Resolved That Council award RFP 17-50 to Salter Pilon Architecture Inc. at their proposed price of \$3,082,800.00 plus HST.”

Purpose:

The purpose of this report is to award the contract to provide architectural and engineering services for the rebuild of the Golden Plough Lodge (GPL).

Background:

The County has been aware for several years that the Golden Plough Lodge would need to be redeveloped. The 151 beds in the long term care home are currently B & C rated beds and the Ministry of Health and Long-Term Care (MOHLTC) has mandated that these beds be upgraded to A beds no later than January 2025. In August 2017, County Council received a conceptual site plan for the redevelopment of the Golden Plough and surrounding property. This plan consisted of a new building to be constructed on the vacant, County owned land west of Halcyon Place. The draft site plan included internal roadways, walking and cycling paths that will connect the new building to the County headquarters building and neighbouring properties in a park-like setting. It is recommended that the existing structure be demolished after the new building is completed with any additional land being retained for future needs. It was also proposed that new building would include space for the County archives.

Per the direction of Council, staff proceeded with the development of a request for proposal for architectural design services and project management support.

Consultations:

The County issued RFP # 17-50 on January 10th, 2018. All questions were closed on February 8th, 2018 and the RFP was closed on March 1st, 2018. A two-envelope system was used to evaluate the proposals received from the proponents, in order to ensure that the firm being retained was both well qualified and cost efficient.

Proposals submitted consisted of two envelopes. Envelope No. 1 included the proponent's qualifications and experience, project schedule and design excellence & creativity. The evaluation of Envelope No. 1 was completed by a cross-functional evaluation team consisting of the following County staff:

- Chief Administrative Officer
- Administrator Golden Plough Lodge
- Director of Care Golden Plough Lodge
- Director of Finance / Treasurer
- Facilities Manager
- Project Engineer

Evaluation was based upon the following criteria:

- Mandatory requirements – pass or fail
- Understanding of project requirements –25%
- Company background and qualifications and references –10%
- Team experience project manager and project team –15%
- Project management –20%

Proposals were received from the following firms:

- Diamond Schmitt Architects Inc.
- Salter Pilon Architecture Inc.
- Snyder Architects Inc.

A maximum of 70 points were available for the technical portion of the proposals under Envelope No. 1.

The second envelope, which remained sealed until all other stages of the review process were complete, contained the respondent's quoted price to undertake the services.

Through the selection process, all of the proposals received were evaluated and ranked, with all three (3) proponents eligible to move forward to the second stage of the review process.

The second stage of the proposal review process included a presentation of proposals and the opening of the cost envelopes (Envelope No. 2) for each of the three (3) proponents and combining the score from their technical proposals and their cost proposal.

A maximum of 30 points were available through the cost evaluation process.

Salter Pilon Architecture Inc. received the highest combined score, based on a tally of the points awarded for their technical proposal and their proposed cost.

This report was prepared in consultation with the Finance Department.

Legislative Authority/Risk Considerations

The successful proponent will be required to follow all applicable legislation for the design and construction of a new Long-Term Care facility and other regulations such as the Ontario Building Code and requirements for long-term care home design as stipulated by MOHLTC.

Discussion/Options

Staff have given significant consideration to the process for the redevelopment of the Golden Plough Lodge. The first stage was a conceptual site plan, several background studies and surveys were completed and a detailed pre-design brief document was produced. Through the pre-design process, the option of renovation to the existing facility was considered. Given the age, condition, building layout and construction type it was determined not to be a viable alternative.

During the design phase, a range of alternatives will be considered to ensure the new facility meets the Provincial standards, needs of the GPL residents and families, and the GPL staff. The new facility will also include sufficient space for the County archives which houses records and artifacts for several member municipalities and some community groups.

Following the presentation of the conceptual plan, staff met with neighbouring property owners to review the plans. The property owners were generally very positive and enthusiastic about the redevelopment. Any concerns raised were minor in nature and will be addressed through the design process.

Since the RFP was originally released, the County applied for redevelopment funding through the 'Aging with Confidence: Ontario's Action Plan for Seniors' program. If the funding application is successful, the County will construct an additional 29 beds in the new facility. The additional beds were not included in the RFP. However, subsequent discussions with the proponent confirmed that they could meet any changes to deadlines and the additional work for a larger building resulting from a successful funding application.

Financial Impact

Council Report 2017-54 Golden Plough Lodge Reconstruction and corresponding Resolution 2017-08-23-184 provided staff with the authorization:

- "to proceed with the development and issuance of an RFP to procure architectural and project management services and
- that funds from the Golden Plough Lodge Reconstruction Reserve be used for financing the next phase of this project"

The report identified that the architectural and design fees are estimated to be up to \$6.0M (inclusive of construction project management costs). In anticipation of this, the 2018 approved budget allotted \$1.0M towards the initial design costs with \$5.0M identified for 2019 within the long-term financial plan. Costs for both years sourced financing in full from the Golden Plough Lodge Reconstruction Reserve as approved by Council and detailed below.

Council approved budget 2018	\$1,000,000.00
Long-term plan 2019	5,000,000.00

Total Financing Rebuild Reserve	<u>\$6,000,000.00</u>
RFP cost	\$3,082,800.00
Contingency (12%)	370,000.00
Non-recoverable HST	54,257.28
Total Cost	<u>\$3,507,057.28</u>
Funds Remaining	<u>\$2,492,942.72</u>

Given the scope and complexity of the project, staff are proposing a contingency of 12% for this phase of the project specific to this award for the design of a new facility comprised of 160 beds.

Other associated costs outside the scope of this award that are fundamental to this phase of the project include various sub consultant services such as subsurface utility engineering investigations, geotechnical studies, commissioning and cost consulting. The scope of these services will be better defined as this phase of the project progresses. Further to this, costs will be incurred relative to internal project management.

The County has applied to the MOHLTC for an allocation of an additional 29 beds as part of this redevelopment project under the Province's recently announced 'Aging with Confidence: Ontario's Action Plan for Seniors'. Under this plan, the Province is committed to creating 5,000 new long-term care beds over the next four years. If the application is successful, this would bring the total funded beds from 151 to 180. The operating per-diem and the construction funding subsidy would increase correspondingly with any incremental addition in beds. The original timelines to complete the project as anticipated under the award would be advanced to December 2022 from December 2024 to meet MOHLTC funding eligibility requirements.

It is anticipated for this phase of the project that all associated sub consultant costs outside the scope of this award, internal project management costs and any increased design costs under the award associated with the potential allocation of additional bed capacity would be financed by the remaining reserve funds within the years 2018 and 2019 as identified above.

Any further funds remaining will stay within the reconstruction reserve to be utilized towards the financing of future project costs.

The long-term plan currently estimates the total construction cost at \$49.0M as a 'placeholder' based on high-level costing at the preliminary conceptual design stage. The application to the MOHLTC identified total project costs as \$82.5M inclusive of the additional beds, construction and all other associated costs such as; professional services, land/property value, approval/permits, insurance and applicable taxes etc. as

a preliminary project life cycle estimate. More definitive costing estimates for the project will be acquired at different stages of the design process utilizing standard costing methodologies towards an ultimate Class 'A' pre-tender estimate. It is anticipated within the long-term plan that there will be a total of \$13.0M of funds in the reconstruction reserve fund which will be utilized towards financing the overall project costs. Further, that the balance of financing required during construction will be sourced from a construction loan with Infrastructure Ontario that will be converted into a long-term debenture upon completion of the works. Infrastructure Ontario is a government agency established specifically to aid with the development, renewal, enhancement and replacement of Ontario public assets. Infrastructure Ontario's Loan Program through the Ontario Infrastructure and Lands Corporation allows easy access to financing for municipalities with affordable interest rates, flexible terms and no fees or commissions. Infrastructure Ontario's cost of capital is very low and, as such, it is typically able to offer advantageous interest rates versus other sources of financing.

The Province has previously committed to funding a portion of the project costs. However, the Provincial portion will be paid as a per bed per-diem over twenty-five years. The Provincial contribution is unknown at this time and an agreement will not be in place until some time following the design approval. The application to the MOHLTC for redevelopment of the site, inclusive of the additional beds, estimates approximately \$1.4M in annual Construction Funding Subsidy for a total of \$35.0M over the 25 year period. The actual Construction Funding Subsidy will be established once all costs and construction variables are defined through the design process and upon entering into a final redevelopment contract with the MOHLTC. Due to the Provincial funding model, the County will be required to pay for the entire construction costs upfront. The debenture repayment will be funded partially by the Provincial repayment and the balance will be funded through the County levy.

Member Municipality Impacts

A new upgraded Golden Plough Lodge is fully aligned with the objectives of the County strategic plan and the shared services initiative to find more efficient and effective ways to deliver services to County residents.

Conclusion/Outcomes

Staff requests approval to award RFP 17-50 issued to provide architectural, engineering and project management services for rebuild of the GPL long-term care facility to Salter Pilon Architecture Inc. at their proposed price of \$3,082,800.00 plus HST.