



COUNTY OF WELLINGTON

Committee Report

To: Chair and Members of the Social Services Committee

From: Mark Poste, Director of Housing Services

Date: Wednesday, March 13, 2024

HS-24-03

Subject: **23 Gordon Project Update**

Background:

Since the Spring of 2023, County staff have been working with the leadership at Stepping Stone, the County's Construction Manager and Grinham Architects on the viability of developing 23 Gordon Street in Guelph to increase the number of emergency shelter beds and transitional housing spaces in our community.

In January 2024, staff brought two reports forward to Social Services Committee providing an update on the proposed project with recommendations for pre-construction services. The report titled "New Emergency Shelter Beds and Transitional Housing in Guelph" outlined the planned development of 12 new transitional housing units and approximately 24 new emergency shelter beds. These new units and beds would be in addition to the existing 27 emergency shelter beds already on the first floor at 23 Gordon Street. Moreover, the reports confirmed that County staff will be overseeing the construction management of the project from planning to structural completion, with Stepping Stone maintaining ownership of the property during and after construction. A projected construction cost of \$3,500,000 (not including HST, design costs, permit fees, furnishings, and equipment) was provided; along with confirmation of \$3,941,000 in secured capital funding for the project and a proposed operating budget. The report "Award – Pre-construction Services – 23 Gordon Street" from Purchasing and Risk Management Services requested approval of Demikon Construction Ltd. for the project's pre-construction services, with a final design and construction budget to be reported to Social Services Committee in March.

Update

Since the January reports, staff have continued to negotiate agreements with capital funders for the project and have executed a Project Management Agreement with Stepping Stone, allowing County staff to oversee the development project. The project was also presented to the City of Guelph Committee of Adjustment and received approval for the minor variances required for the project to proceed, which completed all planning requirements. Lastly, staff have worked with our partners at Stepping Stone, Grinham Architects, Demikon, Engineering consultants and the City of Guelph to finalize designs.

Over the last two months, Grinham Architects have taken the high-level design of the 23 Gordon project from floorplans and renderings to a full set of construction ready drawings, which have been submitted for a building permit with the City of Guelph. Throughout this process, both the design and associated budget have been refined to accommodate the requirements of both the planning and building departments, as well as the programme requirements of the user groups. This process has

resulted in a change of use code upgrade to the mechanical systems, as well as some extensive seismic structural requirements. These items have resulted in an increase to the original construction cost estimate of \$3,500,000 to a new Guaranteed Maximum Price of \$4,961,544. Staff anticipate being able to confirm all funding sources in the next two weeks. Details of the funding plan will be presented by Treasury staff at the March 28, 2024, County Council meeting.

Construction Management Contract

Staff have worked collaboratively with L. Alan Grinham and Demikon Construction to finalize a Guaranteed Maximum contract price of \$4,961,544. This was achieved via an open book tendering process with the relevant trades to secure pricing for various elements of the construction.

Recommendation:

That the Social Services Committee receive the report entitled, “23 Gordon Project Update”, and recommends to County Council that Demikon Construction be awarded a construction management contract (CCDC5B) with a Guarantee Maximum Price of \$4,961,544.00, subject to presentation of a funding plan by Treasury staff at the March 28, 2024 County Council meeting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Poste", written in a cursive style.

Mark Poste
Director of Housing Services