



New Developments on County Building

With the final appeal put to bed, the County is getting closer to making the new building a reality. Now the challenge is to negotiate affordable pricing in a very aggressive construction market

At a hearing of the Court of Appeal on August 10th, the leave to appeal the decision of the Subdivision Development and Appeal Board regarding the new Administration Building was denied. This was the final appeal opportunity for the building clearing the way for application of a building permit.

Contractor bids higher than expected

Last week, bids from five contractors were received by the Building Committee. The process of obtaining tenders from contractors began some time ago with an open call for submissions for proposals from contractors across Canada. From 15 proposals, the Building Committee approved a short list of eight contractors (all Alberta firms) for tendering. Of the eight, five submitted tenders.

Each contractor was provided with complete sets of construction drawings and all sub contractors in local markets were provided access to the plans as well. "The tendering process was conducted in a very open and transparent way," says Linus Murphy, Architect with Cohos Evamy. "From the word go, it was inclusive of local contractors, subcontractors and trades and everyone quoting had access to the complete scope of work."

All five bids came in higher than anticipated; although the bids were comparatively very close. "When we see bids this similar, we know our contractors' quotes are reflecting real market costs and the bids are complete," says Murphy. When asked why costs were higher than budget, Murphy responded by saying a combination of the very aggressive building market in Alberta and dramatically escalating costs for raw materials (including steel which has risen over 75% in the last 6 months) has resulted in a price increase wave that the entire building industry has been anticipating for over two years. Because of numerous issues brought forward by some members of the public, the County's tendering process for the building has been delayed several months. This has contributed to putting the timing of the construction project into the increased price market.

Building Committee determined to find solutions

At a special Council meeting held August 11th, Council gave the Building Committee the green light to work with the lowest bidding contractor (Dawson Wallace Construction) to explore options for reducing the budget without jeopardizing the building's scope and design.

"While we are not going to compromise the integrity of this project or the extensive amount of work that has gone into the design, functionality and budget processes, we are going to be diligent in finding cost effective solutions," says Charlie Van Arnam, Councilor and Building Committee Member. "This may result in a combination of adjusting some elements, and finding new sources of revenue. At the end of the day, we're going to have a building that meets the community's long term needs and our financial realities." The Building Committee has already started to explore options with Cohos Evamy that could result in savings without compromising the building's scope, design or functionality.

"Getting the budget on track is important," says Ron Richardson, Councilor and Building Committee member. "However, we have a responsibility to construct a building that will offer value to our community for the next 40 years. That's why everything recommended in the design has a specific purpose. We are not going to start removing elements just for the sake of cost alone. Every decision we make has to be considered in the context of the big picture and value for the long run." The Building Committee will bring a recommendation back to the August Council meeting for review and approval. Construction will begin thereafter.

