

DATE: October 9, 2009

TO: Bill Preisenz, CAO
Rick Perchuk, Operations Manager

From: John Nabb Facilities Coordinator

SUBJECT: Operations Building Lease Development

Recommendation:

That Council of the City of Kenora receive the follow tenders for the Operations Building lease development:

- Sierra Construction - \$214,850.00 plus taxes
- LMD Construction - \$204,748.10 plus taxes; and

That the tender received from LMD Construction in the amount of \$204,748.10 plus taxes be accepted; and

That in accordance with Notice Bylaw 144-2007, public notice is hereby given that Council intends to amend its 2009 Operating & Capital Budget at its October 19, 2009 meeting by authorizing the withdrawl to a maximum of \$55,000.00 from the Operations Centre Building Reserve for lease development works; and

That the balance of the costs be recovered from Ontario Power Generation over a 10 year period at 5% interest; and further

That Council give three readings to a bylaw to amend the 2009 budget for this purpose.

Background: To fulfill the conditions of the proposed lease agreement with Ontario Power Generation a finished office space and work center space of the 2400 sq ft second floor and 2200 sq ft main floor of the Operations Work Center was required in accordance with the provisions and specifications listed in the signed lease agreement (schedule B) between (the Tenants) Ontario Power Generation and the (Landlord) City of Kenora.

With the cooperation of OPG and their design team, plans and specifications were developed to provide the framework to determine the renovations needed and responsibilities of the tenant and the landlords work and to confirm the specifications required to develop a Request for Quotation. A Request for Quotation was produced by the City of Kenora and sent out to local construction companies that in the opinion of the facilities coordinator had the most experience in interior commercial renovation construction. Sierra Construction, LMD Construction and FBN Construction were contacted on or about 21st of September and provided a copy of the Request for Quotation containing plans and specifications. Request for proposals were received and opened in a public format October 8 2009 as per the City procurement policy, two submissions were received, Sierra Construction total amount of \$214,850.00 plus GST

and LMD Construction total amount of \$204,748.10 plus GST the quotations were reviewed and all quotations were completed and signed as required.

Approximately \$50,000 of the tendered cost is the responsibility of the City to bring the 2,400 sq.ft. of office space into a rentable condition. The balance of the cost is to be the responsibility of OPG and will be recovered over a 10 year period based on a 5% interest rate.

John Nabb
Facilities Coordinator
City Of Kenora