Municipality of Mississippi Mills

SPECIAL COUNCIL AGENDA

Wednesday, April 16, 2025

1:00 p.m.

Hybrid

3131 Old Perth Road.

H. SPECIAL REPORTS

H.1 Recommendation Report – New Childcare Facility continued

Recommended Motion:

THAT Council directs staff to proceed with Option A - approve funding for the New Childcare Facility with an upset budget of $10.5 million and direct staff to award the project to Chandos Construction with CSV Architects and Cavanagh Construction, negotiate and execute a contract for the design-build of the new facility;

AND THAT if the negotiations are not successful with the Chandos Construction design build team that Council direct staff to proceed with contract negotiations with Morely Hoppner and Hobin Architects team as noted in this report.

I. CONFIRMATORY BY-LAW

Recommended Motion:

THAT By-law 24-025, being a by-law to confirm the proceedings of the Council of the Corporation of the Municipality of Mississippi Mills at its special meeting held on the 16th day of April 2025, be read, passed, signed and sealed in Open Council this 16th day of April 2025.

J. ADJOURNMENT

Recommended Motion:

THAT the meeting be adjourned at x:xx p.m.

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: April 16, 2025

TO: Council

FROM: Ken Kelly, CAO
Jeanne Harfield, Clerk & Deputy CAO
Melanie Knight, Director of Development Services
Anita Legault, Manager Childcare Services
Dan Cousineau, Facilities and Project Manager
Andrew Hodge, Deputy Treasurer

SUBJECT: Recommendation Report – New Childcare Facility

RECOMMENDATION:

THAT Council directs staff to proceed with Option A - approve funding for the New Childcare Facility with an upset budget of $10.5 million and direct staff to award the project to Chandos Construction with CSV Architects and Cavanagh Construction, negotiate and execute a contract for the design-build of the new facility;

AND THAT if the negotiations are not successful with the Chandos Construction design build team that Council direct staff to proceed with contract negotiations with Morely Hoppner and Hobin Architects team as noted in this report.

BACKGROUND:

On April 8, 2025, staff provided a report regarding the childcare expansion project. At that meeting Council directed staff to review the design-build submissions and report back to Council with a preferred vendor recommendation along with a summary of the three design-build teams.

At that meeting, Council passed the following resolution:

> **Resolution No 116-25**
> **Moved by** Councillor Souter
> **Seconded by** Councillor Lowe
> **THAT** direct staff to complete the RFP evaluation process and make a recommendation to Council to award the project to the preferred vendor, negotiate and execute a contract for the design-build of the new facility.

CARRIED

A copy of the report from the April 8 meeting is attached as Attachment A to this report for reference.

DISCUSSION:

Since the April 8 Council meeting, staff have completed the evaluation of the three design-build proposals including interviews with the design-build teams which included a presentation of their proposal. All design-build teams have experience with institutional projects such as daycares, schools and community-based facilities, LEED certified buildings, working with municipalities, other levels of governments and/or not-for-profit organizations, and all have experience working with budget constraints with mandatory timelines which are associated with funding requirements (grants).

It should be noted that the RFP acknowledged that there was missing information which required the design-build teams to make assumptions and/or exclusions in their proposals. These include many of the plans and studies that the Municipality is currently completing including a geotechnical study, Phase I ESA, as well as stormwater management information related to the abandonment of the municipal drain. In addition, the design brief provided to the proponents was limited to baseline information for the daycare facility such as approximate square footage, number and cohorts of children, and property location.

Below is a summary of each design-build team including the proposed budget and a brief description of each team. Each team submitted quality proposals with different approaches and while the approximate costs vary, the approach to the costs were also different where some teams included exclusions and unknowns. Exclusions are considered known items that the teams have not yet priced such as utility costs, servicing connections, and geotechnical information. Unknowns are considered items that are unforeseen and are typically budgeted for within a contingency allowance. Exclusions will be quantified during the contract negotiation period and agreed upon, and a contingency allowance will also be determined during the contract negotiation stage.

A summary of the proposed design has not been included below because the proposed designs will be further developed as part of the design-build process. This includes refining the overall size of the building as well as changes to the site and building layout which will need to be updated once the successful proponent is provided with the plans and studies that are being completed by the Municipality. For example, without a geotechnical report, the proponents had to make assumptions about the finished floor elevation and without the stormwater management information regarding the abandonment of the municipal drain, the proponents had to make assumptions about site drainage in relation to building location and parking lot orientation. In addition, each proponent requested that consultation be undertaken with daycare staff to understand the operational needs of the daycare, ensuring that the final design will not only meet the requirements of the Ministry, but it will also include the valuable input of daycare staff.

Morley Hoppner with Hobin Architects

Morley Hoppner is a well-established firm in Ottawa with experience in design-build projects including Kanata North Fire Station 45. Hobin Architects is an architectural firm based in Ottawa and has experience specifically with daycares and other institutional projects. This proponent's proposal included a budget of $9,321,690.00.

Chandos Construction with CSV Architects and Cavanagh Construction

Chandos Construction is a well-established firm across the country and has been operating in the Ottawa area for the past 10 years with experience in design-build projects including childcare facilities in Alberta and British Columbia. CSV Architects is an architectural firm based in Ottawa and has experience specifically with daycare facilities including the Andrew Fleck Forest Childcare Centre. This proponent's proposal included a budget of $7,551,506.00.

Lundy Construction with Architects DCA

Lundy Construction is a well-established firm in Ottawa with experience with design-build projects including institutional projects such as the Boys and Girls Club of Ottawa's Taggart Parkes Family Clubhouse. Architects DCA is an architectural firm based in Ottawa is currently part of a design-build project for a family resource centre in Petawawa. This proponent's proposal included a budget of $8,751,850.00.

Evaluation Process and Recommended Proponent

To ensure that the proposals were thoroughly evaluated from several different perspectives, the evaluation team who were involved in all aspects of the evaluation process include staff from Development Services and Engineering, the Facilities and Project Manager, and the Manager of Childcare Services. At key points of the evaluation process, additional staff were included to provide specific input such as finance and building construction.

Evaluation criteria outlined in the RFP included:

- innovation/value added,
- understanding of scope and municipal vision,
- project schedule,
- methodology and work plan, and
- pricing.

After a thorough review of the proposals, interviews with the three design-build teams and a formal rating of each team, the evaluation team's preferred proponent is Chandos Construction with CSV Architecture and Cavanagh Construction with the second proponent being Morley Hoppner with Hobin Architects.

As noted above, the proposal from this design-build team had a budget of $10.5 million. Based on the evaluation and the design-build team's submission, staff are of the opinion that the upset limit of the budget should remain at $10.5 million. Additional details under Next Steps speaks to the budget.

Budget and Funding Options

The staff report from April 8, 2025, contains the proposed budget and funding options for this project.

Next Steps

If Council passes staff's recommendation, staff will enter into contract negotiations with the Chandos Construction design-build team to refine the costs and negotiate a design-build contract within the approved budget limit with a formal agreement.

There is a 10-business day requirement for the Municipality (Mayor and Clerk) and Chandos Construction to enter into the standard construction contract (CCDC-14), which means that the Municipality is entering into a contract with a preferred proponent. At this time, staff will provide Council will provide formal notification of the execution of this contract and the value.

In the event that within the 10-business day contract negotiation window a contract cannot be finalized, staff will proceed with contract negotiations with the second preferred proponent.

If approved, this project will need to proceed on an accelerated timeframe and so clear direction from Council is required to proceed with the project as detailed in this report. Any delays on the milestones of this project will delay the construction completion and may forfeit the grant received from the County (see Attachment A for details).

OPTIONS:

Option A (recommended):

THAT Council approve funding for the New Childcare Facility project with a budget of $10.5 M and direct staff to award the project to the Chandos Construction with CSV Architects and Cavanagh Construction team, negotiate and execute a contract for the design-build of the new facility.

Option B:

THAT Council direct staff to not allocate funding for the continuation of the New Childcare Facility project and abandon the New Childcare Facility project.

FINANCIAL IMPLICATIONS:

This report approves a budget of $10.5 million for the New Childcare Facility. This amount is for funds that are additional to the 2025 budget and would continue into the 2026 budget year.

STRATEGIC PLAN

Childcare falls under the Community Services Master Plan which includes an essential support system for families in Mississippi Mills. It plays a key role in the development of the child and well-being while parents and caregivers can attend school or support their families while employed, contributing to the economic growth of our community.

PUBLIC ENGAGEMENT

If approved, information for the public will be provided at the pre-scheduled PICs (April 30 and June 18) along with a dedicated webpage on the Municipality's website. Regular updates on the progress of the project will also be included in the municipal newsletter and news/notices at regular milestones.

There are other municipal examples of capital construction projects, which used livestreams and drones to record construction progression, which provided up to date videos for the public to view. These techniques will be considered by the communications staff as one of the many tools to use to update the public and Council on the progression of the construction.

Council Engagement

With respect to Council engagement, updates to Council will be provided at key milestones in the form of Councillor briefing packages and in-person briefings. Understanding that questions are likely to be brought to Council members while (formally or informally) engaging with the public, communications staff will ensure that Council has the most up-to-date information to share with members of the public.

SUMMARY:

The Municipality, through MM2048 and other strategic plans, has been planning for future growth. This project will see the development of a new Childcare Facility which would increase the number of CWELCC childcare spaces by 78, for a total of 151 spaces and include additional space to accommodate future growth. This project will need to proceed on an accelerated timeframe and so clear direction from Council is required to proceed with the project as detailed in this report. Any delays on the milestones of this project will delay the construction completion and may forfeit the grant funding.

To provide additional childcare services to residents and support growing and existing demand, staff are recommending that Council approve the Childcare Facility expansion project.

Respectfully jointly submitted by,

Jeanne Harfield, Clerk & Deputy CAO
Melanie Knight, Director of Development Services and Engineering
Anita Legault, Manager Childcare Services
Dan Cousineau, Facilities and Project Manager
Andrew Hodge, Deputy Treasurer.

Reviewed by,

Ken Kelly, CAO

Attachments:

ATTACHMENT A – April 8, 2025 report
ATTACHMENT B - CHART 1 – Funding Strategy Example

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: April 8, 2025

TO: Council

FROM: Ken Kelly, CAO
Jeanne Harfield, Clerk & Deputy CAO
Melanie Knight, Director of Development Services
Anita Legault, Manager Childcare Services
Dan Cousineau Facilities and Project Manager
Andrew Hodge, Deputy Treasurer

SUBJECT: Childcare Expansion Project

RECOMMENDATION:

THAT Council directs staff to proceed with Option A - approve funding for the New Childcare Facility project with a budget of $10.5M and direct staff to complete the RFP evaluation process, award the project to the preferred vendor, negotiate and execute a contract for the design-build of the new facility.

BACKGROUND:

On December 10, 2024, staff provided a report regarding the childcare expansion project. A one-time start-up grant application was submitted to the County before the December 13, 2024 deadline and was successful in achieving funding in the amount of $704,400 on January 15, 2025. The proposed Childcare Facility will be approximately 12,000 ft^2 to accommodate the current 73 childcare spaces and staff as well as additional childcare spaces and future staff. This project would see the development of a new Childcare Facility which would increase the number of childcare spaces by 78 and include additional space to accommodate growth in the future. The total licensed capacity for the new childcare facility would be 151 CWELCC spaces.

At that meeting, Council passed the following resolution:

> ***Resolution No 497-24***
> ***Moved by*** *Councillor Torrance*
> ***Seconded by*** *Deputy Mayor Minnille*

THAT *Committee of the Whole direct staff to submit the required funding application to Lanark County for Canada-wide Early Learning and Child Care (CWELCC) funding;*

AND THAT *Council approve the new Childcare Expansion project on the condition of successful CWELCC funding;*

AND THAT *Council direct staff to engage Carebridge to renegotiate the existing MOU for 34 Victoria Street and report back to Council.*

A copy of the report is attached as Attachment A to this report for reference.

The Municipality has entered into an MOU with the County dated December 20^{th}, 2024, which specifies a completion and operational date for the new childcare facility of September 8^{th}, 2026.

DISCUSSION:

Staff implemented the Council direction and issued a Request for Qualification which shortlisted three proponents for a design-build proposal for the new childcare facility. Once the proponents were selected, they were provided with a Request for Proposal including a Design Brief package and asked to submit proposals for the design-build of the childcare facility to be completed by September 8, 2026. The design-build project delivery model integrates design and construction phases under a single contract, enabling collaboration between designers and contractors from the onset. This approach reduces inefficiencies, reduces overlapping timelines, and minimizes delays caused by the traditional design-bid-build method. In addition, the increased collaboration of a design-build team results in lower design fees and lower contingency requirements.

Budget and Funding Options

To fund the project, staff originally estimated a budget for the design-build in the range of $5-6 million based on estimated construction costs of $417-500/ ft^2. The design-build fee proposals that are still under evaluation range from $7.5 million to $9.3 million. Some of the proposals note exclusions for items that the Municipality may want to have included in the project. A budget of $10.5 million is proposed for this project which includes the upper range of the proposals under consideration, known contract exclusions, furnishings and play structures.

In order to fund the capital budget for this project staff have identified several sources of funding in addition to borrowing.

Lanark County’s Community Services Committee approved a CWEELC Licensed Childcare Expansion Start-up grant funding of $704,400. As per the MOU with Lanark County eligible expenses for licensed childcare centres include:

- Play materials, equipment, and furnishings (both indoors and outdoors) as outlined in Section 19 of O. Reg. 137/15 under the Child Care and Early Years Act, 2024.
- Non-consumable supplies/equipment to support the ongoing regular operation of the childcare program (for example, appliances, IT, supplies to support learning environments while adhering to health and safety requirements).
- Renovations, additions, or repairs to licensed childcare facilities or potential childcare facilities as approved by the County.
- Changes to outdoor play space that are required as a result of the expansion of childcare spaces in the centre so that the licensee continues to comply with Section 24 of O. Reg. 137/15 under the Child Care and Early Years Act, 2014.
- Leasehold Improvements.

It is important to note that Lanark County has specified as part of the MOU that milestones of the project will be monitored and that if the project fails to meet the agreed upon milestones, indicating an unlikelihood of the project being successfully completed on time then the funding of $704,400 to the municipality would be forfeited.

The Municipality also has received funding from the Housing Accelerator Funding (HAF). Leveraging the HAF grant, $450,000 is put towards preliminary onsite studies, surveys and plans as well as on-site works to abandon the municipal drain. These funds are to support the future Carebridge development; however, will be completed for the entire property and so, the future Childcare Facility will benefit from this work. The HAF funds do not factor into the funding of the overall anticipated capital cost of the new childcare facility.

These are as follows:

- Phase 1 Environmental Site Assessment
- Property Fabric Mapping
- GIS infrastructure Mapping
- Legal Survey - Available Immediately
- Topographic Survey
- Geotechnical Report
- Tree inventory and Species at Risk screening
- Drain abandonment information
- Site Servicing Feasibility Study (Water, Sanitary, Stormwater)

Development Charges are currently being updated in the latest 2025 Development Charges Study. The calculations for the childcare services capital needs are showing a potential D.C. recoverable cost of $1,792,012 intended specifically for the childcare facility expansion.

Once the new childcare facility is operational, and the newly created spaces are filled, then the existing spaces that are currently at 208 State St. will be transitioned to the new childcare facility. When all spaces have been transitioned from State St., then the State St. location has a fair market value for disposal of $605,000. This value has been verified by appraisal.

The portion of the new childcare facility which would be funded through borrowing is still estimated as principal & interest payments of $66,000/year (6% for 40 years) per $1M borrowed.

Attachment B - CHART 1 – Funding Strategy Example illustrates a potential capital funding strategy for the Childcare Facility expansion.

The federal government has announced intended future grant funding of $36.77B of which $16.77B is listed for Ontario[1]. While this may be an opportunity in the future the dates, eligibility, and other detailed criteria of this funding are not yet available and direct funding by this grant towards this project does not currently exist.

RBC Foundation Community Infrastructure Fund has a deadline to apply of March 28, 2025. Eligibility includes new builds of community spaces focused on environmental sustainability. Funding can be up to $2.5M up to 20% of an organizations operating budget. The focus of the funds is towards the heating, energy, and water use, which will obtain a certification in sustainability. The new Childcare Facility is pursuing LEED BD+C silver certification. This application has been submitted on March 28, 2025, for funding consideration.

Next Steps

If Council passes staff's recommendation, staff will continue with the process which includes further analysis of the project proposals, selecting the proponent, refining the costs, and negotiating a design-build contract with the selected proponent within the approved budget limit.

Staff note that, if approved, this project will need to proceed on an accelerated timeframe and so clear direction from Council is required to proceed with the project as detailed in this report. Any delays on the milestones of this project will delay the

[1] CBC News article: https://www.cbc.ca/news/politics/trudeau-announces-20-billion-child-care-deal-provinces-1.7476199

construction completion and may forfeit the grant received from the County (see Attachment A for details).

OPTIONS:

Option A (recommended):

THAT Council approve funding for the New Childcare Facility project with a budget of $10.5M and direct staff to complete the RFP evaluation process, award the project to the preferred vendor, negotiate and execute a contract for the design-build of the new facility.

Option B:

THAT Council direct staff to not allocate funding for the continuation of the New Childcare Facility project and abandon the New Childcare Facility project.

FINANCIAL IMPLICATIONS:

This report approves a budget of $10.5M for the New Childcare Facility. This amount is for funds that are additional to the 2025 budget and would continue into the 2026 budget year.

STRATEGIC PLAN

Childcare falls under the Community Services Master Plan which includes an essential support system for families in Mississippi Mills. It plays a key role in the development of the child and well-being while parents and caregivers can attend school or support their families while employed, contributing to the economic growth of our community.

PUBLIC ENGAGEMENT

If approved, engagement will occur as part of the MM2048 prescheduled open houses (PICs) on April 30 and June 4, 2025.

SUMMARY:

The Municipality, through MM2048 and other strategic plans, has been planning for future growth. This project will see the development of a new Childcare Facility planned for ‘34 Victoria Street’ which would increase the number of childcare spaces by 78, for a total of 151 spaces and include additional space to accommodate future growth. The start-up funding through the CWELCC program administered by the County now contributes funding support for the project. The MOU with the County has been completed and specifies the intention to complete this project by September 8, 2026.

With the approval of the recommendation for the funding range, this project will maintain the identified plan and timeline. Future reports will be brought forward to Council with information and updates. To provide additional childcare services to residents and support growing and existing demand, staff are recommending that Council approve the Childcare Facility expansion project.

Respectfully jointly submitted by,

Jeanne Harfield, Clerk & Deputy CAO,
Melanie Knight, Director of Development Services & Engineering,
Anita Legault, Manager Childcare Services,
Dan Cousineau, Facilities and Project Manager, and
Andrew Hodge, Deputy Treasurer.

Reviewed by,

Ken Kelly, CAO

Attachments:

ATTACHMENT A – December 10, 2024 report

ATTACHMENT B - CHART 1 – Funding Strategy Example

The Corporation of the Municipality of Mississippi Mills
Childcare Facility Funding (strategy example)

CHART 1.

NAME OF PROJECT	TOTAL COST	CANADA GRANTS	PROV./COUNTY GRANTS	RESERVES	DEVELOPMENT CHARGES	BANK FINANCING	OTHER REVENUE	26 Budget Municipal Grant	SUBTOTAL OF SOURCES
New Childcare Facilty:									$ -
Pre-Construction	665000			500,000		165,000			$ 665,000
Foundation & Site Preparation	1500000			650,000		850,000			$ 1,500,000
Structural & Envelope Construction	2200000			850,000	1,412	1,348,588			$ 2,200,000
Interior Systems & Finishes	2750000				1,735,000	1,015,000			$ 2,750,000
Final Landscaping & Site Work	300000		135,000		55,600	109,400			$ 300,000
Contingency & Soft Costs	1050000					745,000	305,000		$ 1,050,000
RFP upper limit	2035000					1,735,000	300,000		$ 2,035,000
									$ -
									$ -
Total	**$ 10,500,000**	**$ -**	**$ 135,000**	**$ 2,000,000**	**$ 1,792,012**	**$ 5,967,988**	**$ 605,000**	**$ -**	**$ 10,500,000**

*see reserves breakdown below

CWELLC Start-up Grant:			
Equipment	569,400		569,400
Total (MOU)			**$ 704,400**

Note:
- Borrow against reserves to cashflow then borrow the balance of the project plus or minus from a financial institution.
- DC - 2025 update study

Reserves	**$**
Childcare	392,158
Economic Development	1,607,842
Total	**$ 2,000,000** *