



Vaudreuil-Dorion

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## Library and City Hall construction project on hold because of market overheating

**Vaudreuil-Dorion, June 22, 2021** – During their council meeting held last night, the Vaudreuil-Dorion municipal council decided to reject the single bid received for the construction of a municipal hub which would comprise the library, City Hall and a public square, submitted by the Geysler Group in the amount of \$49.9 million before taxes.

The City of Vaudreuil-Dorion had published a public call for tenders on the Government of Quebec's electronic tendering system last March. The opening of bids for the municipal hub took place on May 28th at 2 p.m. The City's loan by-law for this major project provided for a construction cost of \$32 million before taxes.

Unfortunately, current market conditions, characterized by volatility in the cost of materials, an overload in work, the simultaneous launch of a high number of projects, and the labour shortage, are all behind the upward pressure on prices. In the weeks leading up to the opening of bids, the latest estimates produced by professionals to assess the growing concerns surrounding the overheating market pointed to a construction cost of approximately \$40 million before taxes.

"We are talking about a price difference of 17 million compared to our September 2020 estimate. Like many other organizations, we decided not to proceed with this project given the high cost of the market. Shortly before the opening of the bids, our professionals had re-estimated the cost of the project while taking into account the increase in the cost of materials that had taken place in recent months, but we hardly expected an increase as significant as this. The Municipal Hub is an amazing project that we continue to believe in and we will work hard to evaluate all possible options to make it a reality, while always making the soundest use of our public funds." said Mayor Guy Pilon.

A grant of more than \$4.8 million had already been announced by the governments of Quebec and Canada for the construction of the new library. The municipal government will take account of the dates related to the financial support, which comes from the New Building Canada Fund – Quebec, Provincial-Territorial Infrastructure Component – Small Communities Fund, to ensure it is maintained. It was also planned that a portion of the Gas Tax Program would be used for costs related to the public square.

Loan by-law 1755 provided for an expenditure of approximately \$39.1 million. This amount included the cost of construction for the three project components mentioned above (library, city hall and public square) as well as financing costs, quality control costs (quality testing for

different elements: roofing, concrete, etc.), applicable taxes and a risk reserve of 3.5 million to compensate for market overheating and a possible increase in certain materials (for a total of 7.1 million in addition to the 32 million for the construction project). The project's financial structure provided for a share-out of the financing between the loan, provincial and federal financial assistance, and municipal surplus funds.

### **The Municipal Hub project**

The future Municipal Hub will include the library, City Hall, a public square and, in a second phase, an aquatic complex. It was the multidisciplinary team led by the architectural firms Lapointe Magne et associés / L'ŒUF de dupras-Ledoux – a consulting engineering firm specialized in building mechanics and electricity, L'équipe Laurence – a firm specialized in civil engineering, L2C Experts-Conseils – a structural engineering firm, and NIPPaysage inc. – an architectural landscaping firm, that caught the attention of the jury formed to oversee the architectural contest in which twenty applications were received and four finalists were selected. A technical committee and a committee made up of Vaudreuil-Dorion citizens had previously submitted their observations to the jury.

"I wish to take this opportunity to thank all the City employees involved in this project as well as all our professionals who must now put their work on hold. Although we will not have the pleasure of inaugurating the Municipal Hub in 2022, this setback is only temporary." added Mayor Guy Pilon.