

**Frederick Chenoweth**

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**From:** John Scott <johnscottsteel@gmail.com>  
**Sent:** October 7, 2019 6:11 PM  
**To:** Frederick Chenoweth; BRIAN DEMPSEY  
**Subject:** Re: John Scott Comments; Hi Fred please review and advise if some issues require expanding. Some explanations seem so clear...

On Mon, Oct 7, 2019 at 10:55 AM John Scott <[johnscottsteel@gmail.com](mailto:johnscottsteel@gmail.com)> wrote:

I have been requested to review the CCDC contract between the Town of Collingwood and B.L.T. Construction Services Inc. and also the cross examination of Mr. Ron Martin by Mr. Ryan Breedon. I have completed this review. I am a Design Build specialist with over 45 years experience securing and executing Design Build projects with particular expertise in the pre engineered structure area. The following are my comments confirming in my opinion the single source design build approach to the Design and Construction of Arena Facility for the Town of Collingwood was the appropriate way forward to get this project done. My comments are supported by extensive experience and ongoing participation in this industry.

1) It is very unusual to have a Municipal Project with a project Manager with no expertise or experience with the chosen method of Contract Design Build. It appears there was no formal kick off meeting to familiarize the Project manager with the key parts of this contract at which time all relevant documentation would have been turned over.

2) The Design Build concept is so standard and widely used there is a CCDC contract developed by Architects and Contractors specifically that was properly used in this instance. The benefits of Design Build are many and widely viewed as a time saving vehicle to allow owners to continue their day to day functions and let the Design Build Contractor handle the many regularly occurring issues needed during both the design phase and the construction phase. Updates are provided by the contractor with direct contact to the owners rep. Costs are controlled by the contractor to minimize changes and discourage change orders unless absolutely necessary thus keeping both schedule and budget under control. Regular site visits by Town rep allow issues to be addressed quickly and resolved without delay.

3) Personally only 2% at most of projects I have been involved with have required Bonding. Bonding is very expensive and reduces by at least 50% the number of interested contractors who will bid and requires time consuming administration. Bonding would be a good remedy where an entity is forced to use a low bidder with a questionable history or bad reputation. There are other suitable options for a client to use rather than the expense of a Bond. Bonding companies Generally try and minimize their exposure when contractor failure occurs and their own interests come first with owner and trades lower down the list. They are often required where Project financing is provided by a third party. Careful selection of contractors with a good track record and positive references is the best route. The key suppliers and contractors must have good reputations in the industry and appear to have been good choices. Jobs without Bonding have Monthly Statuary Declarations provided by the contractor with each draw and the 10% holdback discourage contractor violating any agreed supplier payment terms.

4) The selection and negotiating with a sole source contractor may have some small risks to get the most competitive pricing available, but careful selection of the contractor will provide many benefits that far outweigh the risk. Professionals are available to vet costing proposals and generally research is done to ensure the key suppliers and contractor are providing a competitive price. Sprung is recognized as experts in this building type and have improved their product to meet insulation codes and loading requirements. They are a common choice for Municipalities and Government agencies. They have a good reputation with contractors.

5) There should be no issue with a separate site work contract. There can be multiple Notice of Project documents and parties work together. This saves the owner money by elimination of multiple markups and stops delayed holdback releases waiting for good weather to complete paving and landscaping. Safety is always a primary concern but each contractor monitors their trades and those crossing their work zone.

Contracts with scope of work to 10' outside building line are very common as it allow projects to commence prior to connections, services and landscaping to be designed. All design work inside the building can be completed and during construction no contractors not working for the Design Builder do not have to come in contact with the buildings.

6) Design Build contracts usually have a significant deposit and staged payment schedule to confirm to deal and to ensure suppliers and trades start engineering and are encouraged to give the project a priority over other jobs. Arenas particularly have unique suppliers that are designing their products specifically for this project. Sprung and pre engineered suppliers will not even commence engineering without deposits paid. If a client is reluctant to pay deposit as required it is assumed by contractors either the money is not in place or the owner is not fully committed to the contractor. It is naïve to assume Government or Municipal projects never have payment issues. For example the Liberals cancelled the terminal 3 expansion contract awarded by Kim Campbell's conservatives to the Matthews Group in the mid 90's. 750 people lost their jobs and the company failed. Design Builders have many up front costs as they are paying designer, consultants and contractor deposits.

7) It is a common practice to not have the Project Coordinator involved with the project negotiations and Development as this can be a very lengthy process. Many Project managers are not hired until the contract is signed. It is solely the Design Build contractors responsibility to design the facility to meet the local code requirements and also meet the owner's requirements as outlined in the bid documents. This would be especially true where the Towns coordinator had little or no experience with Design build or recreational facilities.

8) The Town is generally approached early on to identify site plan issues such as parking, fire truck and emergency vehicle access. Once that is resolved a presentation of the building characteristics is reviewed to see if there are any issues. This would require a design build contract to be signed to show the Town exactly what was being proposed. The Town certainly has the opportunity to comment on all parts of the building design and construction when the building application is submitted.

9) The Design Build concept is an excellent method for Municipalities to use for many projects. Careful selection of the Design builder saves a great deal of time and eliminates the time necessary to evaluate many inexperienced and unworthy bidders. The negotiations must be thorough and carefully done to ensure satisfactory scope and schedule. Once this is done the building process is clean and requires fewer bodies attending progress meetings and a more direct means of communications. The Design Builder is responsible for all inspections, testing and documentation required by all authorities. Regularly held and documented progress meetings high light any issues between the parties and prevent long delays waiting for independent consultants to provide opinions.

The examination of Ron Martin highlighted the lack of experience of Mr. Martin in both the Design Build process and recreational facilities. Despite his best efforts there appear to be issues that could have been addressed more thoroughly.

Regards John Scott