

**To:** COUNCIL  
**Meeting Date:** 11/28/2023  
**Subject:** Cambridge Preston Arena Renovation and Addition  
**Submitted By:** Sheryl Ayres, Chief Financial Officer  
**Prepared By:** Dave Mawdsley, Manager of Procurement  
**Report No.:** 23-144-CRS  
**File No.:** T23-78  
**Wards Affected:** Ward 3

**RECOMMENDATION(S):**

THAT Report 23-144-CRS Cambridge Preston Arena Renovation and Addition be received;

AND THAT Request for Tender #T23-78 Cambridge Preston Arena Renovation and Addition be awarded to Ball Construction Ltd, of Kitchener, ON in the amount of \$28,860,000 in Canadian funds, exclusive of HST;

AND THAT uncommitted funding in the demolition scope of work be transferred to the Preston Auditorium construction scope in the amounts of \$433,566 from A/01391-40 DC Parks & Recreation Reserve Fund and \$255,340 from A/01392-40 DC Parks & Recreation Reserve Fund;

AND THAT additional funding in the amount of \$5,073,268, funded from tax supported debentures in the amount of \$3,667,162 and from growth debentures in the amount of \$1,406,106 be added to capital project A/00420-40 for a total project budget of \$33,112,172;

AND FURTHER THAT staff be directed to work with Ball Construction Ltd to achieve construction cost savings, wherever feasible, that do not result in substantially altering building program or building performance from the tendered project specifications.

**EXECUTIVE SUMMARY:**

The project outlines the renovation and twining of the Preston Memorial Auditorium and associated amenities, approximately 71,000 square feet including new and renovated areas. The construction will include improvements to the existing change rooms, ice pad, ice resurfacing room and other amenities and the addition of a new NHL size ice pad, seating, changing rooms, washrooms, multipurpose and office space. The existing

Parks Services, Gymnastics and Club/Storage buildings will be demolished to accommodate parking and the new addition to the arena.

The demolition tender, having fully satisfied Procurement By-Law 19-187, was previously awarded to Flint Demolition of Woodbridge, ON., for a contract value of \$105,800 + HST with additional \$68,000 being held as contingency. Demolition work commenced the week of November 6, 2023.

The Construction Tender was issued August 28, 2023, and closed October 11, 2023. Three (3) pre-qualified contractors submitted bids, the lowest bidder being Ball Construction Ltd. Bid amounts are listed as follows, in order from lowest to highest:

- Ball Construction - \$28,860,000
- Melloul Blamey - \$29,240,000
- Aquicon - \$36,797,500

Bid amount excludes soft costs, transformer, permitting and contingency.

Staff are seeking Council approval to award contract #T23-78 to Ball Construction Ltd. in the amount of \$28,860,000 in Canadian funds, exclusive of HST.

### **Financial Implications**

The tender to complete the construction of Preston Auditorium of \$28,860,000 along with estimated additional project costs of \$4,207,650 (includes soft costs, transformer, permitting and contingency) result in a total project budget of \$33,112,172. This compares to the Council approved project budget of \$27,349,998 and results in a shortfall in the project budget of \$5,762,174.

In order to proceed with the tender award, additional project funding is required as follows. A transfer of uncommitted demolition funding from projects A/01391-40 in the amount of \$433,566 and A/01392-40 in the amount of \$255,340; the remaining additional funding of \$5,073,268 to be funded from tax supported debentures in the amount of \$3,667,162 and from growth debentures in the amount of \$1,406,106.

The proposed changes carry an annual operating impact for debt repayments of \$370,800 which is equivalent to a tax levy increase of 0.33%.

### **STRATEGIC ALIGNMENT:**

☒ Strategic Action

**Objective(s):** INCLUSION - Deliver accessible, diverse and inclusive services, programs and infrastructure for all ages and abilities

**Strategic Action:** Create and activate spaces that offer things for people to do

**OR**

☐ Core Service

**Program: Not Applicable**

**Core Service:** Not Applicable

**BACKGROUND:**

On May 11, 2023 the City issued a Request for Supplier Qualifications for General Contractor for the Preston Memorial Auditorium Arena. Four (4) submissions were received and three (3) suppliers were successfully qualified in aspects of renovation and new construction of arena facilities, site work, servicing, landscaping and other related experience.

RFT# T23-78 - Cambridge Preston Arena Renovation and Addition was issued to the pre-qualified suppliers on August 28, 2023, and closed October 11, 2023.

**ANALYSIS:**

All three (3) pre-qualified contractors submitted bids. The lowest bidder being Ball Construction Ltd. Bid amounts are listed as follows, in order from lowest to highest:

- Ball Construction - \$28,860,000
- Melloul Blamey - \$29,240,000
- Aquicon - \$36,797,500

Bid amount excludes soft costs, transformer, permitting and contingency

**EXISTING POLICY / BY-LAW(S):**

Under Procurement By-Law 19-187, the Manager of Procurement or their designate, who is under the general direction of the Chief Financial Officer, is delegated the authority to approve the award of Tenders and Proposals when all of the following conditions have been satisfied:

- a) When there is sufficient funding, as approved by Council through the budget process and verified by the Finance Division by the Departmental Recommendation to Award Report.
- b) When all procedures in accordance with this By-Law, have been followed; and

- c) When the lowest compliant Tender bid or highest scored Proposal is accepted and recommended.

This award requires approval from Council as additional funding is required.

### **FINANCIAL IMPACT:**

In order to mitigate the financial impact of the construction tender award, staff worked with the project consultants to look at a number of options to reduce project costs; however, all options had impacts to building program and/or building performance. It is recommended that the construction scope be awarded at full value and that staff and the project consultants work with Ball Construction Ltd to achieve construction cost savings, wherever feasible, that do not result in substantially altering building program or building performance from the tendered project specifications.

Unexpended and uncommitted demolition funding in the amount of \$433,566 from A/01391-40 and \$255,340 from A/01392-40 will be transferred to the construction budget capital project A/00420-40 to reduce the budget shortfall. Additional funding is required in the amount of \$5,073,268, funded from tax supported debentures in the amount of \$3,667,162 and from growth debentures in the amount of \$1,406,106, for a total project budget of \$33,112,172.

### **PUBLIC VALUE:**

The public bidding process ensures the City maintains an open and transparent public process that provides accountability on the utilization of financial resources.

### **ADVISORY COMMITTEE INPUT:**

N/A

### **PUBLIC INPUT:**

RFT# T23-78 - Cambridge Preston Arena Renovation and Addition was issued to the pre-qualified suppliers on August 28, 2023, and closed October 11, 2023.

### **INTERNAL / EXTERNAL CONSULTATION:**

The RFT documents were compiled by Procurement in assistance with Community Development department.

### **CONCLUSION:**

Staff are recommending award of Tender #T23-78 Cambridge Preston Arena Renovation and Addition to Ball Construction Ltd, of Kitchener, ON in the amount of \$28,860,000 in Canadian funds, exclusive of HST.

The budget for capital project A/00420-40 requires increased funding to a total of \$33,112,172. The additional funding will be offset with savings from uncommitted demolition funding in capital project A/01391-40 in the amount of \$433,566 and A/01392-40 in the amount of \$255,340. The remaining additional funding of \$5,073,268 is proposed to be funded from tax supported debentures in the amount of \$3,667,162 and from growth debentures in the amount of \$1,406,106.

The proposed changes carry an annual operating impact for debt repayments of \$370,800 which is equivalent to a tax levy increase of 0.33%.

#### **REPORT IMPACTS:**

Agreement: **No**

By-law: **No**

Budget Amendment: **Yes**

Policy: **No**

#### **APPROVALS:**

**This report has gone through the appropriate workflow and has been reviewed and or approved by the following as required:**

**Director**

**Deputy City Manager**

**Chief Financial Officer**

**City Solicitor**

**City Manager**

#### **ATTACHMENTS:**

1. 23-144-CRS Appendix A - Memorandum-Cambridge Preston Arena Construction RFT Recommendation