

COUNCIL REPORT

To: Mayor and Council

From: Recreation Services

Date: March 7, 2024

Subject: Arena Slab and Energy Upgrades Project – Construction Tender Award

RECOMMENDATION:

THAT Council agrees to award the Arena Slab and Energy Upgrades construction project contract to Northern Legendary Construction Ltd for a price of \$3,164,985 plus GST;

AND THAT Council authorizes the Chief Administrative Officer to execute the contract and any other related documentation.

BACKGROUND:

In January 2023, the District received funding approval from the Government of Canada's Green and Inclusive Community Buildings (GICB) program for the Mackenzie Recreation Centre – Energy Recovery and Facility Upgrades project, which includes replacing the arena ice slab and boards, and implementing a number of energy efficiency upgrades. The GIBC grant approval funding was for \$2,395,753, with a District contribution of \$598,939. Staff applied for additional grants to mitigate any unforeseen inflationary costs that may arise as the original application was submitted in 2021 and construction costs have risen dramatically since that time. Staff recently received news that the South Peace Mackenzie Trust has approved a grant for \$250,000 that will go towards this project.

The total budget for the Arena Slab and Energy Upgrades Project was originally \$2,994,692, including contingency, and required a coordinated design team working under one Consultant to work under the direction of the Director of Recreation Services. At the August 14, 2023 Council meeting a Request for Proposal for the Architectural Planning, Design and Project Manager for the Arena Slab and Energy Upgrades Project was awarded to Carscadden in the amount of \$307,096. Working with Carscadden, Polar Engineering had been hired to provide the detailed design, drawings, and specifications for arena floor replacement and associated ammonia plant upgrades at a cost of \$37,545.

PROCUREMENT

In alignment with Policy 3.1 – Purchasing Procurement Procedures & Guidelines, staff posted a Request for Proposal (RFP) for the arena slab and energy upgrades construction portion of the project, which was created by Carscadden and their team. The RFP was posted on BC Bid and the District of Mackenzie website from February 1, 2024 through March 6, 2024. There were 3 proposals received from Northern Legendary, Jen Col and Western Industrial Contractors. All proposals are in the centre table file for further information. Staff are recommending moving forward with the bid from Northern Legendary as they met all the specifications, have a timely delivery, and were the lowest bid price.

BUDGET SUMMARY

Original project budget \$2,994,691 (including contingency)

Includes 5% contingency (on construction costs)

District of Mackenzie	\$ 598,939
Government of Canada GICB grant	\$2,395,753
South Peace Mackenzie Trust	\$ 250,000
Revenue Total	\$3,244,692
Polar Engineering	\$ 37,545
Carscadden	\$ 307,096
Northern Legendary Construction	\$3,164,985
Contingency	\$ 158,250
Expenses Total	\$3,667,876
Shortfall	\$ 423,184

Removing the construction contingency would reduce the shortfall to \$264,934.

BUDGETARY IMPACT:

\$423,184 would be allocated from the Capital Renewal Reserve to support the recommendation.

COUNCIL PRIORITIES:

Community and Social Development

- Our investment in the municipality's services and infrastructure, our commitment to principles of social equity and well-being, and our belief in the value of resident engagement, creates a healthy community in which everyone feels valued and enjoys a high quality of life.

Strong Governance and Finances

- As the municipality's elected governing body, we serve all residents and businesses in the community. We engage residents and stakeholders on important issues and make our decisions through open and transparent processes. We are careful in our use of resources, mindful of the need to maintain programs and services, while also meeting the community's infrastructure needs.

RESPECTFULLY SUBMITTED:

Terry Gilmer, Director of Recreation Services

Reviewed By: Corporate and Financial Services

Approved By: Chief Administrative Officer