

### **REPORT FROM THE SPECIAL PROJECTS MANAGER**

#### **DESCRIPTION**

Re: Ruben Yli-Juuti Aquatics Centre Repair Design Procurement

#### **RECOMMENDATION**

THAT the report of the Special Projects Manager dated November 9th, 2022 be received;

AND THAT Council approve the use of the Negotiation Method in the Procurement Policy to procure design services for the preparation of a tender package for the pool renovation project to Aquatics Associates, a division of Rectec Management Group Inc, at an upset cost of \$118,000 plus applicable taxes

AND THAT the required funds be taken from the building and facility reserve.

## **BACKGROUND**

On October 11th, 2022, staff presented a report to council detailing the current condition of the Ruben Yli-Juuti Aquatics Centre and presenting three options for scope of work to repair the facility.

During that report's presentation to council, staff verbally indicated that it was their intent to initiate the design phase of the project using Aquatics Associates, a division of Rectec Management Group Inc. (Aquatics Associates) without undertaking a tender process given the tight timeframes to ensure only one aquatics season is interrupted.

While there appeared to be general endorsement by council of this course of action during the discussion at that meeting, the council resolutions that resulted from the consideration of that issue do not specifically reflect direction to staff to step outside of their established procurement procedures to single-source design to Aquatics Associates.

Staff has been working with Aquatics Associates since October 12<sup>th</sup>, 2022 to organize the initiation of design. It is Staff's understanding that Aquatics Associates has assembled their team of consultants and preferred suppliers, and that coordination is underway. It is also Staff's understanding that there is not any charges currently payable by the City to Aquatics Associates as a result of these activities.

## **ANALYSIS**

To be clear, it is still Staff's recommendation that Aquatics Associates perform the design services required to repair the pool, as their past experience and involvement in the project thus far provides them with a significantly better understanding of what is required for the project. The hope is that this understanding translates into a shortened overall timeline for the project.

Staff asked Aquatics Associates to provide a proposal that states the anticipated charges for design services as well as a detailed list of deliverables for these design services. That proposal is attached to this report for Council's review.

While Staff is looking for clarity of direction from Council on single-sourcing procurement for design services from Aquatics Associates, so is Aquatics Associates. This vendor routinely does business with municipalities and understands procurement policies impact business practices. Some clarity on this issue would serve to increase Aquatics Associates' comfort level moving forward in the project.

## **FINANCIAL IMPACT**

City Staff has been awarded First Phase approval for these repairs to the pool facility from the NOHFC, and is planning to submit the Second Phase application once there is a stronger understanding of the anticipated projects costs. NOHFC funding typically is awarded at 50% of eligible project costs.

Funding from the NOHFC requires a competitive process for procurement, and specific project costs that are incurred outside of a competitive process are typically deemed ineligible for their funding. There is an appeal process in place that allows for justification for single-sourcing vendors in a project, but decisions to approve single-sourced costs are left to the discretion of the NOHFC. In this instance, Staff feels that there is justification for moving ahead without tendering design services that may be looked upon favourably by the NOHFC, but that is far from guaranteed. Most if not all other funders that would be appropriate to approach for this project have similar funding policies relating to procurement.

If the NOHFC deems the design costs to be ineligible for funding, it would mean that design costs for the project would be borne by the City alone. \$118k (4.5%) potentially ineligible from a \$2.6 M estimated construction cost.

As discussed at the October 11<sup>th</sup>, 2022 Council Meeting, financial planning for the project as a whole will have to be incorporated into the 2023 budgeting process.

## **LINKS TO STRATEGIC PLAN**

This issue has ties to the following key sections of the Elliot Lake strategic plan:

- Continued investment into infrastructure
- Strong financial foundation for the municipality
- Health and community wellness

## **SUMMARY**

Staff recommends that Council direct staff to continue working with Aquatics Associates to conduct design services for the pending Ruben Yli-Juuti Aquatics Centre Repair, and that Staff be directed to forego the usual procurement City procurement policy procedures in order to do so.