

REPORT OF THE ACTING DIRECTOR OF PUBLIC WORKS FOR THE CONSIDERATION OF COUNCIL

DESCRIPTION

Re: Tender Results Downtown Arts Centre

RECOMMENDATION

THAT the report of the Acting Director of Public Works dated January 6th, 2023 be received;

AND THAT Council award a contract to construct The Downtown Arts Centre as per the distributed tender documents to Quinan Construction Limited in the amount of \$1,320,000.00 (plus HST) as recommended by MET Energy Systems;

AND THAT the required funds for the construction of The Downtown Arts Centre be drawn from the Arts and Culture Reserve;

AND THAT staff be directed to liaise with FedNor to amend the funding agreement currently in place for the project to reflect the current scope of work.

BACKGROUND

On December 1st, 2022, Council received a report from the Acting Director of Public Works regarding the Downtown Art Centre, which detailed a reduced project scope of work and scale for consideration. Specifically, as compared to a previously approved project from August 8th, 2022 which included museum and theatre spaces as well as accommodations for artist studios at a budgeted cost of \$3.6M, the revised project scope provided space for artist studios only for a budgeted cost of between \$1.2M and \$1.6M.

At that meeting, Council directed staff to proceed with the reduced scope of work for the project, to engage the project design team to prepare a tender package for distribution to qualified bidders and to contact FedNor to amend the existing \$750,000.00 funding agreement in place for the project to reflect this revised scope of work.

ANALYSIS

Staff followed Council's December 1st, 2022 direction, and project tender documents reflecting a reduced scope of work were distributed to bidders on December 16th, 2022 with a site meeting being held on December 22nd, 2022 where bidders had the opportunity to view the current site condition and to ask any questions that they may have had.

A total of 5 bidders were invited to participate in the tender process that was originally set to close on January 4th, 2023. The tender period was extended through an addendum to January 6th, 2023 to allow bidders more time to prepare pricing because of the holiday season. One bidder submitted a tender form for the project, and a Letter of Recommendation for the submission from MET Energy Systems is attached to this report for Council's review.

Throughout this process, Staff remained in regular contact with FedNor to advise them of progress. Despite the fact that there has only been a single tender submission offered for the project, FedNor has confirmed that they are amenable to accepting the results of this competitive tender process. FedNor has also indicated that they would prefer to initiate the amendment of the funding agreement after Council approves this tender, should it choose to do so, and has indicated that they do not anticipate challenges with approval of an amendment.

Based on the tender process, MET Energy Systems has recommended that the project contract be awarded to Quinan Construction Limited for the amount of \$1,320,000.00 plus HST.

FINANCIAL IMPACT

If the project can be completed before March 31, 2023, Fed Nor funding will contribute a total of \$750,000 to the project, leaving a financial commitment of less than \$1 million for the city for the project moving forward. Internal funding for this project has been approved to come from the arts reserve currently in place consisting of monies obtained from the insurance settlement relating to the loss of the Lester B Pearson Civic Centre.

As an amendment to FedNor's funding agreement has not yet been put in place, it is difficult for Staff to articulate the specific implications of the project schedule with the anticipated funding disbursement. FedNor has indicated that they are willing to be somewhat flexible in the administration of this funding, and Staff is working closely with FedNor and the design team to administer the project in such a way as to maximize the FedNor funding contribution.

The design team has already discussed strategies with the successful bidder to both shorten the schedule and begin the project ASAP.

LINKS TO STRATEGIC PLAN



This project directly relates to the following key section of the strategic plan:

- Support in the arts and culture community

SUMMARY

Staff is in receipt of a tender submission in the amount of \$1,320,000.00 for the construction of The Downtown Arts Centre that has been recommended by our design consultants for the project, MET Energy Systems.

Staff recommends that Council award a contract to construct The Downtown Arts Centre as per the distributed tender documents to the successful bidder based on this recommendation, and that the required funds for the project be paid from the Arts and Culture Reserve.

Additionally, staff recommends that staff be directed to work with FedNor to amend the funding agreement currently in place for the project to reflect the current scope of work.

