



The Corporation of the Town of Tecumseh

Community & Recreation Services

To: Mayor and Members of Council

From: Beth Gignac, Director Community & Recreation Services

Date to Council: September 24, 2024

Report Number: CRS-2024-22

Subject: Amendment to the Community and Recreation Services 2024
One (1) Year Capital Works Plan – Arena Restoration

Recommendations

It is recommended:

That Report CRS-2024-22, Amendment to the Community & Recreation Services 2024 One (1) Year Capital Works Plan – Arena Restoration, **be received**;

And that the proposed work of the Arena's exterior building envelope as described in Report CRS-2024-22 **be added** to the Community and Recreation Services 2024 One (1) Year Capital Works Plan, Arena Restoration Project;

And further that the Arena Restoration Project budget **be increased** by up to \$338,000 (before HST) and **be funded** from the Infrastructure Reserve as outlined in Report CRS-2024-22;

And furthermore, that the awarding for the interior and exterior work as described in Report CRS-2024-22, **be authorized** to proceed as a single source negotiation;

And furthermore, that an upset limit of \$138,000 for completion of the interior work and an upset limit of \$200,000 for completion of the exterior work **be added** to the original tender award of \$2,541,618 (before HST) to TCI Titan Contracting Inc for a revised award total of \$2,879,618.

Executive Summary

The Tecumseh Arena & Recreation Complex located at 12021 McNorton Street is undergoing the repair of damage from a flooding event which occurred in 2023 as well as a renewal of all interior spaces, including new flooring, front lobby and washroom renovations, that will modernize the aesthetics and functionality of spaces.

Throughout the demolition and removal phase of the project, the contractor discovered deterioration and impending failures of interior elements in the lobby that prompted a number of change directives for the interior works as well as an examination of the building's exterior envelope.

As a result, the Project's existing contingency for interior works will be exceeded. Further, exterior remediation work is required to repair exterior elements of the building envelope to protect interior assets from further deterioration and prevent ongoing damage.

Accordingly, additional capital budget allocation of \$138,000 is requested to complete the change directives on the interior works and \$200,000 is sought to complete the exterior works outlined in this report. It is further recommended that the works be undertaken through a single source contract with the existing contractor, TCI Titan Contracting Inc.

Background

In July of 2023 the Tecumseh Arena & Recreation Complex sustained interior damage caused from flooding where the local area experienced a significant rainfall event with 34.04 mm volume of precipitation in a short period of time.

As set out in Reports CRS-2023-13 Tecumseh Arena Floor Damage (RCM 190/23) and CRS-2023-14 Tecumseh Arena Flood Damages Assessment (RCM 219/23), Council was informed of the damages and provided with an assessment and estimated costs for remediating the affected areas.

At the January 17, 2024 Special Meeting of Council, the Community & Recreation Services Department presented restoration plans to refresh all public areas within the Tecumseh Arena in conjunction with the required flooring replacement. Council approved the recommendation to conduct an overall refresh of the facility and to leverage the needed flooring replacement due to the flooding event in 2023.

Furthermore, at the January 23, 2024 Regular Meeting of Council, funding was approved in the Community and Recreation Services 2024 One (1) Year Capital Works Plan (RCM 09/24) and as set out in Report [CRS-2024-02](#) for \$1,880,000 to renovate the interior of the Tecumseh Arena as described in that report and replicated below:

A4: Arena Restoration

Previously Approved	Requested for 2024	Total Project Costs
\$891,000	\$1,880,000	\$2,771,000

As presented to Council at the SCM on January 17, 2024, the refresh would include all public areas of Tecumseh Arena impacted by the 2023 flood event, leveraging the arena flooring replacement and bringing about compliance with current AODA legislation. Project elements include flooring, washrooms renovation, barrier-free entry to dressing room hallway, concession upgrades, lobby updates, painting, front entrance apron and audio-visual upgrades.

Council had previously approved \$891,000 for flood damage remediation and replacement cost at the arena.

Funding for this was provided from the following:

- Arena Lifecycle Reserve in the amount of \$1,880,000

Reference:

Report CRS-2023-14 “Tecumseh Arena Flood Damages Assessment” August 8, 2023
Motion: RCM-219/23

January 17, 2024 Special Meeting of Council, Community & Recreation Services 2024 Capital Budget Presentation Motion

Subsequently, at the March 26, 2024 Regular Meeting of Council, additional funding of \$600,000 was approved in support of the amendment to the Community and Recreation Services 2024 One (1) Year Capital Works Plan (RCM 09/24) and as set out in Report CRS-2024-09 for the reconfiguration of the lobby staircase and upgrades to the 2nd level program room.

Comments

The Arena Restoration project is well underway as construction remains in progress, while ice rentals and users returned to the facility following the Labour Day weekend.

Throughout the demolition and removal phase of the project, the contractor discovered deterioration and impending failures of interior elements in the lobby that resulted in a number of change directives for the interior works and prompted an examination of the building’s exterior envelope.

As a result, exterior remediation work is required to repair exterior elements of the building envelope to protect interior assets from further deterioration and prevent ongoing damage. These exterior elements include:

- Repairs to masonry control joints, door and window openings
- Resealing of the skylight and various penetrations
- Re-pointing of masonry mortar joints in various areas
- Replacement of parapet caps
- On completion of resealing, re-painting of all existing window, skylight, and door frames
- On completion of re-pointing, re-staining of existing masonry block on building frontage

Since remediation work is needed, using both new masonry blocks and repointing some masonry joints will combine exterior building envelope repairs with cosmetic improvements to the main entrance. Delaying this work could damage newly renovated areas, particularly in the lobby, should water continue to infiltrate the exterior.

To minimize further disruptions to service and access, Administration suggests presenting the additional scope of work as a single source procurement with TCI Titan Contracting Inc. This approach leverages their familiarity with the project and site, ensuring preferred timelines are met. Additionally, the additional work for the change directives on the interior works would logically be undertaken by the same contractor.

Executing the exterior building envelope remediation is imperative to protect the value of the interior enhancements throughout the Arena.

On Council approval, the interior works will be completed earliest and the exterior work would start in October and be completed by year-end. Details of the proposed exterior works are shown in Attachment 1.

Working in coordination with the Purchasing Officer and Financial Services, single source procurement is recommended in concurrence with the stipulation as set under By-Law 2021-60 section 3.4, and in section 3.9 and 3.11 of the Purchasing Policy #17 (RCM 263/21).

3.4 Single/Sole Sourcing/Direct Negotiation

In circumstances where there may be more than one source of supply in the open market, but only one of these is recommended by the Department Director, with the concurrence of the Purchasing Officer, for consideration on the grounds

that it is more cost effective or beneficial to the Town; and where the expenditure will exceed \$100,000, approval must be obtained from Town Council prior to negotiations with the single source. The Department Director shall be responsible for submitting a report detailing the rationale supporting the use of the single source.

The requested funding amount outlined in the Financial Implications section of this report exceeds the approved project budget and therefore requires Council approval to amend the project contract as set under By-Law 2021-60 section 4.9 of the Purchasing Policy #17 (RCM 263/21).

4.9 Contract Amendments and Revisions

- e) Where expenditures for the proposed amendment combined with the price of the original contract exceeds Town Council approved budget for the project, a report prepared by the Department Director shall be submitted to Town Council recommending the amendment and proposing the source of financing.

Consultations

Financial Services
Community & Recreation Services
Archon Architects Incorporated
TCI Titan Contracting Inc.

Financial Implications

Typically, capital project expenditures related to the arena would be funded from the Arena Lifecycle Reserve, however the Arena Lifecycle Reserve is projected to be in a significant deficit balance.

As referenced in Council Report CRS-2024-10 Community and Recreation Services 2025-2028 Four (4) Year Capital Works Plan, the projected deficit position for the Arena Lifecycle Reserve will be addressed during the 2025 budget process. In the interim, the deficit will essentially be covered through internal borrowing from the Town's overall suite of Lifecycle Reserves, which can accommodate the temporary borrowing.

Administration therefore recommends funding this exterior building envelope project amendment from the Infrastructure Reserve.

A comprehensive financial analysis of the Arena Restoration project to date is summarized in the table below.

Project Items	Approved Budget	YTD Actuals	Final Projected
Flooding Remediation (previously approved in 2023 and tendered in 2024)	\$431,582	\$302,619	\$434,298
Arena Restoration Project	\$1,880,000	\$554,799	\$2,000,000
Arena Restoration Project (additional funding for stairway removal/replacement and upper lobby improvements)	\$600,000	\$67,454	\$615,284
Total*	\$2,911,582	\$924,872	\$3,049,582

*Note: Projecting a deficit of \$138,000 ($\$2,911,582 - \$3,049,582 = \$138,000$), which is less than 5%.

Project items – CRS-2024-22	Proposed Budget Increase	YTD Actuals	Final Projected
Current Approved Budget	\$2,911,582	\$924,872	\$3,049,582
Arena Restoration Project additional funding for change directives in excess of contingency allowance	\$138,000	N/A	Included above
Arena Restoration Project (additional funding for exterior works)	\$200,000	\$0	\$200,000
Total *	\$3,249,582	\$924,872	\$3,249,582

*Note: Total Budget includes payments to TCI Titan, Archon Architect, Other project vendors.

The project’s contingency allowance has been significantly impacted due to unexpected findings in the interior of the building during construction. These findings necessitated

modifications to the original scope and required additional work to address complexities of the building’s dated infrastructure and components. As a result, the contingency fund is nearly depleted.

Administration projects an overage of approximately \$138,000 to the original project contract amount primarily due to outstanding change directives for interior work, such as shower panels and fixtures and electrical transformers for lighting.

To complete these outstanding change directives, Administration recommends that an upset limit of \$138,000 be added to the current contract with TCI Titan Contracting Inc for completion of current change directives which are unable to be funded by the contingency fund.

For the external works outlined in this report, Administration requests up to \$200,000 in funding to implement the proposed exterior works described in this report, including an allowance for any unforeseen issues or findings.

The interior and exterior work will result in a revised total contract award of \$2,879,618 (\$2,541,618 + \$338,000 before HST) to TCI Titan Contracting Inc.

Any unused amount would not be drawn from the Infrastructure Reserve.

If Council approves the amendment, the total project funding will be a maximum of \$3,249,582 for all interior and exterior work.

Link to Strategic Priorities

Applicable	2023-2026 Strategic Priorities
<input checked="" type="checkbox"/>	Sustainable Growth: Achieve prosperity and a livable community through sustainable growth.
<input checked="" type="checkbox"/>	Community Health and Inclusion: Integrate community health and inclusion into our places and spaces and everything we do.
<input type="checkbox"/>	Service Experience: Enhance the experience of Team Tecumseh and our citizens through responsive and respectful service.

Communications

Not applicable

Website

Social Media

News Release

Local Newspaper

This report has been reviewed by Senior Administration as indicated below and recommended for submission by the Chief Administrative Officer.

Prepared by:

Daniel Wolicki
Manager Facilities & Energy Management

Reviewed by:

Tom Kitsos, CPA, CMA, BComm
Director Financial Services & Chief Financial Officer

Reviewed by:

Beth Gignac, BA Hons
Director Community & Recreation Services

Recommended by:

Margaret Misek-Evans, MCIP, RPP
Chief Administrative Officer

Attachment Number	Attachment Name
1	Rendering - Tecumseh Arena Exterior