

Report

Date September 6, 2023
Subject Cowichan Sportsplex Fieldhouse

File:

PURPOSE

To review the tenders received for the construction of the Cowichan Sportsplex Fieldhouse and consider options to fund the budget shortfall.

BACKGROUND

In 2020, North Cowichan successfully obtained a \$1,067,684 grant from the Investing in Canada Infrastructure Program to construct a fieldhouse at the Cowichan Sportsplex. Additional funding was provided by North Cowichan, Cowichan Valley Regional District (CVRD), the City of Duncan, Summer Games Legacy Fund, and the Sunrise Rotary Club for a total project funding of \$1,380,000. In 2021, staff estimated the cost for a 3,040-square-foot building to be \$1,580,000. In March 2021, Council approved additional unallocated funds to increase the project funding to \$1,638,000 to cover the costs for the construction of the building. In November 2021, North Cowichan went to tender for the project and received one bid of \$1,890,680.

Over the next several months, staff and the Sportsplex executive team considered several options to bring the project within the \$1,638,000 budget. In the end, North Cowichan decided that a reduction in the size of the building was the best path forward. Staff have worked with Sportsplex and Rotary representatives to decrease the building footprint while meeting the community's needs.

In late 2022, the architect updated the drawings and tender documents for a 2,200-square-foot building. The reduction in building size was achieved by reducing the meeting room and kitchen size and the number of change rooms from 4 to 2. The number of washrooms in the building was maintained and includes a gender-neutral unit as well as several fully accessible units. On August 16, North Cowichan received three bids for the building construction as follows:

Contractor	Submitted Bid
Dawn Construction	\$ 2,456,435
Makon Projects	\$ 2,065,373
Ecklundson Construction	\$ 1,999,766
* all plus GST	

DISCUSSION

Staff have reviewed all bids and determined the lowest bidder has the experience and qualifications to undertake the project. Taking into consideration the design, tendering, and project management costs for the project, some of which have already been incurred, the budget shortfall is \$612,364, not including contingency. Staff are proposing to re-prioritize the current capital budget and/or use project savings to attain the necessary additional funding for the project.

Currently, staff are having discussions with the architect and Ecklundson Construction to identify areas of construction that could realize cost savings. The objective is not to change the general function or size of the building and to not incur significant redesign costs. Staff are optimistic we can reduce the project cost by \$100,000 to \$200,000. It should be noted that staff, Sportsplex representatives, and the architect also undertook a cost-reduction exercise before the final design.

On August 30, the Sportsplex executive brought forward their intention to provide supplementary funding for the fieldhouse project. They have earmarked an additional \$80,000 that has been raised within the community that can be contributed. Staff will use the cost savings negotiated with the contractor and the additional funding from the Sportsplex to reduce the additional amount of funding required.

Staff have started discussions with the CVRD about including the Sportsplex Fieldhouse as part of Regional Recreation. If successful, a portion of the additional cost of the building will be borne by the other regional and municipal governments in the region. It is anticipated that a decision on including the building within Regional Recreation will take several months, and the project will need to be included in 2024 budgets by other local governments.

A further reduction of the building size was considered by staff to reduce the cost of the project. To achieve this, the meeting room and associated washroom and kitchen would be removed. Staff do not have a formal estimate for the reduced footprint, but it is anticipated that there will be a requirement for some additional funding in 2024 with this option. Staff have rejected eliminating the meeting room as it is a key function of the building that the Sportsplex executive and Sunrise Rotary Club support. In addition, there will be significant schedule delays and architectural re-design costs with this option.

OPTIONS

1. **(Recommended Option)** THAT Council:
 - (1) Approve the reallocation of existing capital funds to the Sportsplex Fieldhouse project to cover the budget shortfall; and,
 - (2) Authorize staff to enter into a contract with Ecklundson Construction to construct the Sportsplex Fieldhouse for their submitted bid of \$1,999,766, subject to cost reduction negotiation.
2. THAT Council refer the Sportsplex Fieldhouse project to the Committee of the Whole for further discussion and recommendation.

IMPLICATIONS

Option 1

The projects that are re-prioritized in 2023 will be brought forward in a subsequent budget process. This impact on the capital budget will be reduced if the project is approved under the Regional Recreation function.

RECOMMENDATION

THAT Council:

- (1) Approve the reallocation of existing capital funds to the Sportsplex Fieldhouse project to cover the budget shortfall; and,
- (2) Authorize staff to enter into a contract with Ecklundson Construction to construct the Sportsplex Fieldhouse for their submitted bid of \$1,999,766.04, subject to cost reduction negotiation.

Report prepared by:

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Approved to be forwarded to Council:



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