

Date: 2023-02-01

Subject: **Budget Amendment – Bramalea Tennis Club Expansion – Ward 7**

Contact: Mitsa Montaser, Manager, Building Design and Construction

Report Number: Public Works & Engineering-2023-163

Recommendations:

1. That the report from Mitsa Montaser, Manager, Building Design and Construction to the Council Meeting of February 8, 2023, re: **Budget Amendment – Bramalea Tennis Club Expansion – Ward 7**, be received;
2. That a budget amendment be approved for project #205951-003 – Bramalea Tennis Club Expansion-Construction, to increase the project fund by \$690,000, with the \$207,000 transferred from Reserve #4 Asset Repair and Replacement, and \$483,000 from Reserve #134 - Recreation DC Development Charges.

Overview:

- The project funds for the Bramalea Tennis Club Expansion were approved by Council in 2020. In August 2022, Council passed a resolution that the Purchasing Agent be authorized to commence the procurement to hire a General Contractor for the project.
- The project has been tendered, and all bids exceed available funds. The originally approved funds were \$1,600,000, and a top-up of \$690,000 is required to proceed with the construction phase.
- The cost escalations are due to market conditions experienced since the original project estimate was established in 2020. Of the 43% increase in the project cost, 31% is attributable to market escalations experienced since the original project estimate was first established, and 12% is for the increase in contingency due to overall project value increase.

- **The funding of this project is tied to a Federal Grant of up to \$750,000, which mandates the project be substantially complete by December 31, 2023.**
- **Given the limited construction window specified by the grant requirement and to avoid any impact on programming, it is necessary to award this tender in a timely manner to complete construction by December 1, 2023. Staff recommends budget amendment approval to meet the necessary timeline.**

Background:

Bramalea Tennis Club is located at 9050 Bramalea Road. The project consists of adding approximately 86 sq. m. (925 sq. ft.) to the existing Bramalea Tennis Club. The addition will provide the tennis club with a dedicated space for their members from May to September. From October through April, the additional space would be used for other City programs.

The expansion will include a lounge, kitchenette, court viewing areas, a rooftop viewing deck and a dedicated storage room accessible from the exterior of the building. The existing barrier free washroom will be converted to a new universal washroom for the exclusive use of the tennis club. The existing men's public change room will be renovated to accommodate two barrier free washrooms with showers as well as a dry area for private changing.

Current Situation:

The Bramalea Tennis Club Expansion project was tendered through a public procurement process in November 2022. All eighteen bids received exceeded the available funding.

The currently approved project funding is \$1,600,000, and this report is seeking additional funds in the amount of \$690,000 to allow for the project to be awarded to the lowest compliant bid. With the approval of the budget amendment report, the total project budget will be \$2,290,000. The increased project costs are a result of current market conditions and cost escalation experienced since the original project estimate was first established in 2020. Of the 43% increase in the project cost, 31% is attributable to market escalations experienced since the original project estimate was first established, and 12% is for the increase in contingency due to the overall project value increase.

Moreover, the funding of this project is tied to a Federal Grant of up to \$750,000, which mandates the project be substantially completed by December 31, 2023.

Staff recommends proceeding with the construction phase of the project to avoid any interruptions to the operation of the indoor programs. This would require the project to be completed by December 1, 2023.

Corporate Implications:

Financial Implications:

A budget amendment is required to increase the project #205951-003 – Bramalea Tennis Club Expansion-Construction by \$690,000, with \$207,000 transferred from Reserve #4 Asset Repair and Replacement, and \$483,000 from Reserve #134 - Recreation DC Development Charges, subject to Council approval. The City was approved for a Federal Grant of \$750,000 for this project. The grant funding adjustment will be reported to Council as part of the Capital Status report, and will reduce the currently funded City contribution of \$1,600,000 by \$750,000.

Funding Source	Approved Funding	Federal Grant Adjustment	Budget Amendment	Total Funding
Project 205951-002-Design				
601084 - Res#4-Asset R&R	72,000			72,000
601386 - Res#78-10% Dev. Chg. Contribution	17,000			17,000
645134 - Recreation (Dev. Chg. Reserves)	151,000			151,000
Sub-Total	240,000	-	-	240,000
Project 205951-003-Construction				
601084 - Res#4-Asset R&R	408,000	-408,000	207,000	207,000
645134 - Recreation (Dev. Chg. Reserves)	952,000	-342,000	483,000	1,093,000
601029 - Federal Grants		750,000		750,000
Sub-Total	1,360,000	-	690,000	2,050,000
Total Project	\$1,600,000	\$ -	\$ 690,000	\$2,290,000

The 2022 Budget included approval of a 3-year capital program and funding plan, which maximized the allocation of anticipated funding availability across planned projects. The approval of this amendment will require reprioritization of capital projects forecasted to be funded against Reserve # 4 Asset R&R and Reserve #134 Recreation DC Development Charges.

Other Implications:

Legal Implications - Aside from making a decision on whether to cancel this project or approve a budget amendment based on the current project requirements and market pricing, as outlined in this Staff Report, because this is an active procurement section 3.1 of the Purchasing By-law otherwise applies and provides that Council shall have no involvement in specific procurements until a contract has been entered into.

Purchasing Implications - See Legal Implications.

Term of Council Priorities:

Brampton is a Safe & Healthy City: this project encourages healthy physical activity through tennis programming at the site.

Brampton is a City of Opportunities: the project will maintain services and programs for the neighborhood and City.

Brampton is a Well-Run City: this project reinforces collaboration and advocacy in the community by leveraging the City's relationship with the Bramalea Tennis Club.

Conclusion:

This report seeks Council approval for a budget amendment of \$690,000 to award the contract for construction services for the Bramalea Tennis Club Expansion.

Authored by:

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