

DATE OF MEETING 2023-APR-19

AUTHORED BY RICHARD HARDING,
GENERAL MANAGER, PARKS, RECREATION & CULTURE

**SUBJECT HAREWOOD ARTIFICIAL TURF FIELD TENDER RESULTS AND
NEXT STEPS**

OVERVIEW

Purpose of Report

To obtain Council approval for additional funding to proceed with the two artificial turf fields in the south end of the community at Harewood Centennial Park.

Recommendation

That the Finance and Audit Committee recommend that Council increase the budget for the Harewood Artificial Turf Field project in 2023 from \$4,937,100 up to \$9,957,070 with the additional \$5,019,970 funded from:

- \$3,000,000 Growing Communities Fund (GCF) Reserve Fund
- \$1,489,970 Strategic Infrastructure Reserve Fund
- \$330,000 Casino Reserve
- \$200,000 Private Contribution - School District 68

BACKGROUND

Grant funding for this project was originally applied for through the Investing in Canada Infrastructure Program.

The Investing in Canada Infrastructure Program is a program aimed at creating long-term economic growth, building inclusive and sustainable communities, and supports a low carbon green economy. The Community, Culture and Recreation Stream under this program helps communities address their infrastructure needs while improving access to and quality of cultural, recreational, and community spaces. This funding is a cost share arrangement where the City is required to fund 26.67% of the project construction, as well as be responsible for any cost overruns.

At the Regular Meeting of Council on 2020-AUG-31, it was moved that Council direct staff to submit an application under this funding stream for the Artificial Turf Fields at Harewood Centennial Park, and Council committed City funding of \$1,192,506 towards project costs.

The City obtained support from Snuneymuxw First Nations Chief and Council for this project as well as School District 68, the Harewood Neighbourhood Association and various sports organizations (John Barsby High School Football and Gym Teachers, Nanaimo United Football

Club, VIU Soccer, Nanaimo Raiders Youth Field Lacrosse, Nanaimo Minor Baseball, 7 A Side Soccer) to make this project a priority for high school and youth sports in the south end of the community. Building of two artificial turf fields at Harewood Centennial Park is also part of the adopted Harewood Centennial Park Improvement Plan.

These two fields also meet the growing need of high quality sports facilities for the community and are supported in the City Plan, as well as the previous Sports Field Strategy. Engagement of all sport organizations on the type, quality and makeup of the fields was completed throughout 2021 and 2022.

In spring of 2022 the City was advised that it was successful in securing the grant through the Province of BC for \$3,278,828 and in addition, School District 68 contributed \$500,000 to the project, for total funding available of \$4,971,334, prior to detailed design.

The cost share agreement requires that this project be complete within five years of date of award.

DISCUSSION

Based on input from sport organizations, high school coaches, teachers and the Harewood Neighbourhood Association, an RFP for engineering services for the design portion of the project was issued on 2022-APR-27 and proposals were received by the City on 2022-MAY-26. Three proposals were received and the successful proponent was R F Binnie and Associates Ltd. The consultants started the design portion of the project in late June of 2022. Attachment A provides the details of the two fields.

During the design process, it became evident that with the overall prevalence of inflation, rising project costs across all capital projects, and the supply chain issues – the project cost would exceed funds available. Staff and the consultants took steps to reduce costs where possible, but still provide high quality sports amenities, such as the two artificial turf fields at Beban Park and at the q'unq'inuqstuxw stadium at the Stadium District.

Council was advised during the 2023 budget deliberations that this project would come in higher than expected. The new projected total cost of the project is:

	Description	Amount	Contingency	Total
1	Base Civil Contract	\$7,398,040	10%	\$8,137,844
2	Turf	\$1,504,360		\$1,504,360
3	Engineering, QA and CA	\$274,099		\$274,100
4	Additional miscellaneous	\$75,000		\$75,000
				\$9,991,304

Over the summer and fall, final design of the two fields were completed, and the draft designs shared with all user groups for comment and input in January and February of 2023.

Sealed, Issued for Tender drawings for the civil portion of the works were received and the construction tender was posted on 2023-FEB-02, with construction bids received on 2023-MAR-10. The following provides a summary of the four tenders received for the project.

Vendor	City	Unofficial Value
Wilco Civil Inc.	Langley, BC	\$7,398,040.00
IWC Excavation Ltd.	Nanaimo, BC	\$8,203,055.00
Copcan Civil LP	Nanaimo, BC	\$8,410,525.00
GPM Civil Contracting Inc.	Port Moody, BC	\$9,650,000.00

Although Staff and the consultants expected the project to exceed funding available, the tender prices exceeded expectations. Currently, \$1,192,506 of City funding has been committed to the project.

The artificial turf portion of the project will be tendered separately and bids are expected to be in the range of \$1.5 million.

On 2023-FEB-10, the Province of BC announced its intent to build stronger communities through the \$1-billion Growing Communities Fund (GCF). This fund was created to provide a one-time total of \$1 billion in direct grants to all 188 municipalities and regional districts in BC. The GCF will help local governments to prioritize local infrastructure and amenity projects, including supporting affordable housing, upgrading water management facilities and building recreation centres. Local governments can use the grant to address each community's unique infrastructure and amenity demands.

FINANCIAL IMPLICATIONS

As is, in order for the project to proceed it will require an additional \$5,019,970 in funding.

The Nanaimo and Ladysmith School District 68 had already contributed \$500,000 towards the project. Attached is a letter from the School Board Chair to Mayor and Council committing an additional \$200,000 towards cost increases of the project (Attachment B). Although the Board cannot commit additional funds at this time, they are committed to reviewing additional internal funding if they become available. Any further private contributions to this project would reduce the amount funded by the City's Strategic Infrastructure Reserve Fund (SIR).

With the School Boards extra commitment, an additional \$4,819,970 in funding is required to proceed with the project this year.

Staff recommendation is to proceed with the project. Not proceeding will put the City, once again, behind in the development of much needed and used sports amenities. If the City decides not

to proceed with the project, Council would be considered to be voluntarily in default of the existing Contribution Agreement for funding of \$3,278,828, and would be required to repay all or a portion of any funding already received. To date, the City has received funding of \$25,103 and \$70,433 has been spent on the project. The \$700,000 contribution from SD68 would also need to be returned if the project is cancelled. Due to timelines, the project needs to proceed to award now or be cancelled and re-examined another year.

If Council decides to continue with the project, there are a few options available to fund the additional \$4,819,970 required.

Fund \$3,000,000 from the GCF Reserve Fund, \$1,489,970 from Council's Strategic Infrastructure Reserve Fund (SIR) and \$330,000 from Casino Reserve.

The GCF can be used to fund cost over-runs on projects that received grant funding from senior levels of government. If this option is chosen it would reduce funding from the GCF, SIR and Casino reserve available to be spent on other projects and initiatives. There are sufficient funds in these reserves to cover the proposed amount.

Funding of future projects and cost over-runs will be limited and may result in projects being cancelled or deferred in the Financial Plan. The 2023-2027 Financial Plan would need to be updated to include this change if this option is selected.

Alternative funding option:

Fund the entire \$4,819,970 from the Growing Communities Fund (GCF) Reserve Fund

As mentioned above, the GCF can be used to fund cost over-runs on projects that received grant funding from senior levels of government, therefore the City would be able to fund all of the additional costs required from the GCF. This would leave less GCF funding available to be spent on other projects and initiatives, however the City's current reserves and reserve funds would still be available. This option would require the 2023-2027 Financial Plan to be updated to include this change.

Safety and Environmental Questions of Artificial Turf Fields

For Council's assistance, an artificial turf field and sports architectural specialist will be at the meeting to answer any questions or concerns Council may have on the project and type of facility. Staff are supportive of these types of facilities and the benefits they bring to youth and sport in the community.

OPTIONS

1. That the Finance and Audit Committee recommend that Council increase the budget for the Harewood Artificial Turf Field project in 2023 from \$4,937,100 to \$9,957,070 with the additional \$5,019,970 funded from:
 - a. \$3,000,000 Growing Communities Reserve Fund (GCR)
 - b. \$ 330,000 Casino Reserve
 - c. \$1,570,000 Special Initiatives Reserve Fund
 - d. \$ 200,000 Private Contribution – School District 68

- **Advantages:**
 - The project would be undertaken and the social and economic benefits of having two additional artificial turf fields to support community sporting activities would be achieved.
 - Proceeding with the project means that \$3.2M of approved grant funding plus \$700,000 of School District funding would not be required to be given up.
 - The Growing Communities Fund is allowed to be used to fund cost over-runs on projects that received grant funding from senior levels of government.
 - **Disadvantages:**
 - This will reduce reserve funding available for other projects and initiatives.
 - **Financial Implications:**
 - In addition to the financial implications outlined in the report, the 2023-2027 Financial Plan will be required to be updated to include this change.
2. That the Finance and Audit Committee recommend that Council explore a phased option with the existing 2023 budget of \$4,937,100.
- **Advantages:**
 - The project would be partially undertaken and the project scope would be modified to fit the existing funds available.
 - The City's current reserve funds and the Growing Communities Fund would be available to fund other projects.
 - **Disadvantages:**
 - An approved budget of \$4,937,100 would mean that the project scope would be reduced to one artificial turf field, and as much of the plaza as can be achieved.
 - The reduced scope of the project may result in changes to the amount of grant funding awarded. Granting authority approval would be required and would likely delay the project.
 - **Financial Implications:**
 - None.
3. That the Finance and Audit Committee recommend that Council cancel the project and the related contribution agreement for funding and that the project be re-examined or re-tendered in the future with a modified scope.
- **Advantages:**
 - If the project is cancelled, City funds currently budgeted for this project (\$1,192,506) would be available for other projects.
 - If the decision is made to retender with a modified scope, the funds currently allocated to 2023 would be moved to future years.
 - **Disadvantages:**
 - The City's development of desired sports amenities will be further delayed.
 - The project with a modified scope will not take advantage of economies of scale that will be leveraged if the project is completed as designed.
 - **Financial Implications:**
 - Cancellation or scope reduction of the project would result in reduced or eliminated grant funding under the Investing in Canada Infrastructure Program, potentially resulting in the City being responsible for the entire original budget of \$4,937,100 without the assistance of any grant funding or School District contributions.

SUMMARY POINTS

- The Artificial Turf Fields at Harewood Centennial Park were approved by Council at an original budget of \$4,937,100, with a contribution from the City of \$1,192,506, and the remainder of funding provided by grant funding and School District 68 contributions.
- Based on tenders received in March 2023 the new estimated total costs of the project is \$9,991,304, which is \$5,019,970 higher than the approved budget.
- Staff recommendation is to fund the additional amount required with a combination of reserve funds, in order to preserve existing reserve fund levels while still being able to provide a desired level of service to the community.

ATTACHMENTS:

ATTACHMENT A: Harewood Artificial Turf Key Plan Layout |

ATTACHMENT B: Letter of Support from School Board Chair to Mayor and Council

Submitted by:

Richard Harding
General Manager,
Parks, Recreation & Culture |

Concurrence by:

Laura Mercer
Director,
Finance Department

Jake Rudolph
CAO |