

DATE OF MEETING JUNE 19, 2024

AUTHORED BY JENNIFER McASKILL, MANAGER, FACILITY ASSET PLANNING  
MIKE BRYSON, A/DIRECTOR, FACILITY & PARKS OPERATIONS

**SUBJECT NANAIMO AQUATIC CENTRE ROOF RENEWAL FUNDING**

## **OVERVIEW**

### **Purpose of Report**

To adjust the project budget for the renewal of the parapet walls at the rear mechanical roof of the Nanaimo Aquatic Centre.

### **Recommendation**

That the Finance & Audit Committee recommend that Council approve an increase to the 2024 project budget for the Nanaimo Aquatic Centre: Rear Mechanical Parapet Wall project from \$83,600 to \$393,600 funded by the Facility Development Reserve Fund.

## **BACKGROUND**

In 2018 the roof was replaced at Nanaimo Aquatic Centre. During the project it was determined that the construction of the parapet walls was compromised due to moisture build up within the wall assembly. The scope of the reroofing project was adjusted to remove the parapet work allowing time for evaluation of the root cause and planning a solution. A temporary transition between the new roof and the existing parapet allowed completion of the 2018 reroofing project. Between 2020 and 2022 the parapets at the perimeter of the building, except for the rear mechanical roof, were reconstructed. The final phase of the renewal is planned to be undertaken in 2024. A public procurement in the spring of 2024 produced a single, compliant price for the work, however, the price was over budget.

## **DISCUSSION**

As only a single price was received, the unit rate of the proposed work was compared to the previous parapet work. Given the recent period of aggressive inflation, and the smaller scale of the currently proposed work, the pricing appears commensurate with the effort required to complete the work. Given the pricing appears reasonable, the externally sourced project cost estimate was reviewed and found to be inappropriate for the scope of work proposed.

Delaying the project to allow funding of an appropriate budget within the project plan was explored. As the project has already been published and pricing received, this is not an optimal solution. A second procurement would need to be run next year with an unknown price outcome and take additional Staff resources. There may or may not be more market interest in the future. Typically, repricing work, even with a material change to the scope, diminishes attractiveness to the market, causing suspicion that the Owner is not serious about completing the work. If the project is delayed, the temporary transition installed in 2018 would need repairs

as there are several areas where early signs of failure are occurring, and repairs are weather dependent.

The current condition of the parapet walls at the rear mechanical roof is such that work is recommended as soon as budget permits. The parapet walls are finished with a roofing membrane that was scheduled for replacement in 2018 with the remainder of the roofing project and is past the recommended useful service life. There is two layers of the roofing material, and water is known to be between these two layers. Thus far, there have been no leaks into the facility as a result of this outstanding work. |

## **FINANCIAL CONSIDERATIONS**

The 2024 budget will be increased by \$310,000 funded from the Facility Development Reserve Fund, bringing the total budget for the project to \$400,300 including preliminary costs incurred in 2023. The revised, projected 2024 closing balance for the reserve is \$4,029,180 with a minimum balance requirement of \$814,000.

## **OPTIONS**

1. That the Finance & Audit Committee recommend that Council approve an increase to the 2024 project budget for the Nanaimo Aquatic Centre: Rear Mechanical Parapet Wall project from \$83,600 to \$393,600 funded from the Facility Development Reserve Fund.
  - The advantages of this option: The project will proceed this year, mitigating risk of roof leaks and renewing the asset. Timely renewal of assets is key in maintaining facility infrastructure. Interim repairs to the area will not be required eliminating this additional cost.
  - The disadvantages of this option: An unplanned expenditure from the Facility Development Reserve Fund does not allow for holistic review of projects and priorities. Proceeding with a project when there is a single bid submission raises the question of value to the City.
  - Financial Implications: The 2024 – 2028 Financial Plan will be amended at a later date to include the project increase.
  
2. That the Finance & Audit Committee recommend that Council defer the Nanaimo Aquatic Centre: Rear Mechanical Parapet Wall project to 2025.
  - The advantages of this option: The project will be added to the 2025 project plan that is currently in development, allowing holistic review of projects and prioritization of risk across the organization. A modest cost to implement a temporary patch would defer the larger scope, which then may benefit from market competition when re-priced.
  - The disadvantages of this option: The risk of roof leaks into the storage and mechanical areas is increased.
  - Financial Implications: The cost of a repair of the temporary transition is unknown, however, expected to be modest, and likely able to be absorbed within the current financial plan.
  
3. That the Finance & Audit Committee provide alternate direction to Staff.

### **SUMMARY POINTS**

- The renewal of the parapet walls at the rear mechanical roof of Nanaimo Aquatic Centre is included in the 2024 project plan.
- The single, compliant price received exceeds the budget available.
- Timely renewal of assets mitigates risk for the City of Nanaimo.

#### **Submitted by:**

Jennifer McAskill  
Manager, Facility Asset Planning

Mike Bryson  
A/Director, Facility & Parks Operations

#### **Concurrence by:**

Poul Rosen  
Director, Engineering

Wendy Fulla  
Director, Finance

Laura Mercer  
General Manager, Corporate Services

Bill Sims,  
General Manager, Engineering & Public Works

Richard Harding  
General Manager, Community Services and  
Deputy CAO