Agenda – Council – May 22, 2025

Report – Standing Policy Committee on Property and Development – May 8, 2025

Item No. 3 Award of Contract for Construction of the Redevelopment of the Old Ex Arena – 80 Sinclair Street – Tender No. 313-2024B – Project No. 2020-136
(Mynarski Ward)

STANDING COMMITTEE RECOMMENDATION:

On May 13, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the following to Council:

1. That the City award, enter into, execute and deliver a contract for Construction of the Redevelopment of the Old Ex Arena to Parkwest Projects Ltd., the lowest responsive bidder meeting the requirements of Tender No. 313-2024B, in the amount of $12,304,826.00 MRST included, GST extra (the "Agreement") and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Agreement and the Ancillary Agreements, in accordance with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That, subject to approval of Recommendations 2 and 3, the Chief Administrative Officer be delegated the authority to approve over-expenditures for the Construction Services for Construction of the Redevelopment of the Old Ex Arena project awarded pursuant to this report in the maximum amount of $985,000 (8 percent) provided monies are available within the applicable capital budget, as approved by Council.

4. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Standing Policy Committee on Property and Development – May 8, 2025

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On May 13, 2025, the Executive Policy Committee concurred in the recommendation of the Standing Policy Committee on Property and Development and submitted the matter to Council.

STANDING COMMITTEE RECOMMENDATION:

On May 8, 2025, the Standing Policy Committee on Property and Development concurred in the recommendation of the Winnipeg Public Service and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

Title: Award of Contract for Construction of the Redevelopment of the Old Ex Arena – 80 Sinclair Street – Tender No. 313-2024B – Project No. 2020-136

Critical Path: Standing Policy Committee on Property and Development – Executive Policy Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Erickson	G. Patton	T. Graham	S. Armbruster, Interim CAO

EXECUTIVE SUMMARY

An Award of Contract valued at $12,304,826.00 (MRST included, GST extra) to Parkwest Projects Ltd. for Construction of the Redevelopment of the Old Ex Arena – 80 Sinclair Street – Tender No. 313-2024B is recommended.

In order to proceed with the award, a realignment of proposed budgets within the approved Recreation and Library Facility Investment Strategy (RLFIS) capital program is required. The RLFIS is held by Community Services Department. No projects within the program are being deferred. Instead, available funds from completed projects, temporary staffing and projects with revised scopes are being reallocated to proceed with the Old Ex Arena project.

The amended budget for the Old Ex Arena and Site Redevelopment project is proposed to be $15,700,000.00.

The Recommendations of this report comply with the applicable trade agreements and the City's Purchasing Policy.

RECOMMENDATIONS

1. That the City award, enter into, execute and deliver a contract for Construction of the Redevelopment of the Old Ex Arena to Parkwest Projects Ltd., the lowest responsive bidder meeting the requirements of Tender No. 313-2024B, in the amount of $12,304,826.00 MRST included, GST extra (the "Agreement") and such other agreements as determined necessary by the City Solicitor / Director of Legal Services to implement the intent of the foregoing (the "Ancillary Agreements").

2. That authority be delegated to the Chief Administrative Officer to negotiate and approve the terms and conditions of the Agreement and the Ancillary Agreements, in accordance

with this report and such other terms and conditions deemed necessary by the City Solicitor/Director of Legal Services to protect the interests of the City.

3. That, subject to approval of Recommendations 2 and 3, the Chief Administrative Officer be delegated the authority to approve over-expenditures for the Construction Services for Construction of the Redevelopment of the Old Ex Arena project awarded pursuant to this report in the maximum amount of $985,000 (8 percent) provided monies are available within the applicable capital budget, as approved by Council.

4. That the Proper Officers of the City do all things necessary to implement the foregoing.

REASON FOR THE REPORT

As the total bid amount exceeds $10,000,000, and there are sufficient funds in an approved budget, the award may be approved by Council pursuant to the Purchasing Policy.

The Public Service is requesting delegated authority for potential contract over-expenditures which can only be provided by Council.

IMPLICATIONS OF THE RECOMMENDATIONS

Sufficient budget is available in the Old Ex Arena and Site Redevelopment Capital Project Account # 6362605121 for the project to proceed with the Award of Tender No. 313-2024B.

The lowest responsive bid of $12,304,826.00 MRST included, GST extra, exceeds the pre-tender Class 1 cost estimate of $11,290,414 obtained in September 2024, but is within both the range of accuracy established at this level of cost refinement (-5 percent to +10 percent, equal to $10,725,893 to $12,419,455) and the available budget approved by Council. Both the Assets and Project Management Department (as the procurement agent) and Community Services Department (as the budget holder), are of the opinion there are sufficient funds to award the proposed contract and to proceed with the project. Contingencies within the approved funding will be the source used to address any additional unforeseen costs.

Economic Impact Analysis (EIA)

The estimated direct and indirect economic impact of this expenditure is:

Economic Impact	Manitoba	Rest of Canada
Gross Domestic Product (GDP)	$7.3 million	$3.1 million
Person Years of Employment	71	21
Federal Government Tax Revenue	$0.9 million	$0.3 million
Provincial Government Tax Revenue	$0.8 million	N/A

Source: Statistics Canada. Table 36-10-0595-01 Input-output multipliers, detail level.
The evaluated expenditure for this project is $15.0 million. The expenditure and estimated impacts are in 2025 dollars. Contingency and internal staff costs are excluded from the analysis.

Some additional elements of the expenditure may be excluded to align with macroeconomic accounting principles.

The 2021 GDP at basic prices simple multiplier for non-residential building construction [BS23B000] was used to assess this investment. Federal and provincial government tax revenue estimates include GST, MRST, personal income taxes, corporate income taxes and other sources of taxes and fees. These are estimated using the multipliers noted above in conjunction with effective tax rates calculated from the economic accounts produced by Statistics Canada.

HISTORY/DISCUSSION

The Old Ex Arena facility was previously decommissioned as a hockey arena and is currently being utilized by the Winnipeg Aboriginal Sport Achievement Centre (WASAC) for summer activities and by various City of Winnipeg departments for storage. There has been no contemporary update to the building which remains in its original condition. The purpose of this building redevelopment is to renovate the space so that it meets the current and future needs of WASAC and the City of Winnipeg Recreations Services Division of the Community Services Department.

A feasibility study was undertaken in 2020 that provided a Class 4 cost estimate for renovation and addition to the building which included the following:

- Demolition of the existing +/- 4,200 sq. ft. lobby component in its entirety;
- Selective demolition to the existing 22,600 sq. ft. arena/Zamboni garage component;
- Construction of a new 1-storey, 8,325 sq. ft office component building on the south side of the arena, which would house WASAC administration and the Community Services wading pool offices, and also include shared washroom facilities and a canteen;
- Introduction of a new two-hour rated firewall between the new south office addition and the existing arena.

On December 16, 2020, Council adopted the 2021 Capital Budget which included a total of $50 million from 2021-2023 in the Community Services Department budget for the Recreation and Library Facility Investment Strategy capital program. Within this capital program, Council approved $5.9 million for the Old Ex Arena and Site Redevelopment Project. On July 13, 2023, Council adopted an $8.2 million increase to the Old Ex Arena and Site Redevelopment capital project, utilizing unallocated funds from the 2023 Provincial Strategic Infrastructure Basket, bringing the total project budget to $14.1 million.

In March 2025, as a result of a review of the project bids received, the Old Ex Arena and Site Redevelopment project budget was further increased by $1.6 million through budget reallocations within the Recreation and Library Facility Investment Strategy program due to projects being completed (Magnus Eliason Recreation Centre Kitchen Renewal), available allocated Administrative staffing support budget or rescoped projects (Millennium Library Electrical/HVAC Renewal and Facility Maintenance Capital Program). This resulted in a total proposed budget of $15.7 million for the Old Ex Arena and Site Redevelopment project.

Design work for the Redevelopment of Old Ex Arena commenced in 2021 with the City contracting with 1X1 Architecture Inc. for design and contract administration services, and concluded in December, 2024.

On May 31, 2024, Request for Qualification (RFQ) 313-2024A to qualify contractors was posted on MERX. The RFQ closed on May 31, 2024, with 11 submissions.

Following evaluation, five Proponents (listed alphabetically below) were qualified to participate in the Tender stage:

- Akman Construction Ltd.
- Bird Construction Group
- Graham Construction and Engineering LP
- Parkwest Projects Ltd.
- Penn-Co Construction Canada (2003) Ltd.

Tender 313-2024B was issued to qualified bidders on MERX on January 9, 2025, and closed on February 11, 2025. Two of the shortlisted Proponents, Akman Construction Ltd. and Graham Construction and Engineering LP, withdrew from the Tender. The evaluation resulted with three bids and are noted as follows (prices have been adjusted deleting the first separate price to be deducted from lump sum price):

1.	Parkwest Projects Ltd.	$12,304,826.00
2.	Penn-co Construction Canada (2003) Ltd.	$13,083,037.69
3.	Bird Construction Group	$12,788,624.00

A fourth bid was received from Lawn ‘N’ Order which was also deemed non-responsive in accordance with B17.2 because the bidder did not submit a bid under RFQ 313-2024A and was not pre-qualified to bid as per B13.1, therefore they were not eligible to bid.

The Contract Administrator has verified that Parkwest Projects Ltd. is COR certified with the Construction Safety Association of Manitoba, Certificate #14508-05 (expiration date: August 2025) and the company is in good standing with the Workers Compensation Board of Manitoba. The Contract Administrator is of the opinion that Parkwest Projects Ltd. has the necessary resources and experience to perform the Work in accordance with the specifications.

The City will issue an award letter to the successful bidder in lieu of the execution of a formal contract.

The Bids are open for acceptance until June 11, 2025. Construction will not commence prior to the Award of Contract.

FINANCIAL IMPACT

Financial Impact Statement

Date: March 19, 2025

Project Name:

First Year of Program **2025**

Award of Contract for Construction of the Redevelopment of the Old Ex Arena – 80 Sinclair Street – Tender No. 313-2024B – Project No. 2020-136

	2025	2026	2027	2028	2029
Capital					
Capital Expenditures Required	$ 12,484,826	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	12,484,826	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - (Enter Description Here)	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	180,000	-	-	-	-
Net Cost/(Benefit)	$ (180,000)	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	(180,000)	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments: Capital expenditures consist of the contract amount of $12,304,826 + corporate admin fees of $100,000 + Municipal Accommodations admin & project management overheads of $80,000. Short-term financing overhead does not apply as the budget is 100% provincially funded. The latter two amounts are offset by equal recoveries in the current budgets of the Corporate Finance Department and Municipal Accommodations Division respectively.

Mike McGinn Mar. 19, 2025

Mike McGinn, CPA, CA
Manager of Finance

CONSULTATION

This Report has been prepared in consultation with:

Community Services Department

OURWINNIPEG POLICY ALIGNMENT

Goal: Leadership and Good Governance
Objective: Establish and implement priority actions through evidence-informed decision-making processes.
Policy 1.7: Equitable Service Access
Identify and provide access to, a base level of municipal services to everyone, directly or facilitated through partnerships. Remove systemic barriers to participation, based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, gender identity or expression, marital status, family status, physical or mental ability, official language used, citizenship status, socio-economic status, geographic location or climate change vulnerability.

Goal: Good Health and Well-Being
Objective: Enable access to basic needs for good physical and mental health.
Policy: 4.11 Equitable Service Access
Prioritize equitable access to recreation and parks systems, services and infrastructure, in order to: Enable active living; connect people and nature; create supportive environments; build community capacity; and achieve desired health outcomes, with a focus on children and youth.

Goal: City Building
Objective: Ensure that land use, transportation and infrastructure planning are aligned to provide the conditions for compact, complete and connected communities, supported by sustainable transportation options and municipal infrastructure capacity.
Policy: 6.29 New Communities
Plan New Communities to identify and include a defined level of service for public infrastructure and resource requirements, or approved alternative, to achieve complete communities, including an integrated and sustainable transportation system, recreation, parks, libraries, emergency services, and digital communication technology.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

Strategic Opportunity: Corporate Leadership
Key Direction: 1.6 Reduce Consumption and Increase Waste Diversion

Strategic Opportunity: Low Carbon and Energy Efficient Buildings
Key Direction: 5.2 Improve Energy Performance of New Buildings

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

The information and recommendations presented in this report align with and advance the Winnipeg Poverty Reduction Strategy 2021-2031 as follows:

They embody the following Guiding Principles:

- We will Uphold Human Rights
- We will Honour Relationships and Reconciliation with Indigenous Peoples
- We will Promote and Maintain the Welfare of all Residents
- We will Develop Trust and Meaningful Partnerships to find solutions and drive change

They align with the following Goals and Objectives:

- Goal 6: All City Services are Equitable, Inclusive and Accessible
- Related 10-year Objective A: Residents have equitable access to City services, in particular demographic groups who experience marginalization

SUBMITTED BY

Department: Assets and Project Management
Division: Municipal Accommodations
Prepared by: Iain Currie, Project Manager
Date: March 31, 2025
File No: MA2025-036

Attachments: N/A