

Harry Bailey Aquatic Centre Rehabilitation and Upgrades - Capital Budget Adjustment

ISSUE

Harry Baily Aquatic Centre (HBAC) was originally built in 1976 and includes both a competition and leisure pool. It serves a critical recreation function in Saskatoon's core, and before its closing in 2023, the facility had the highest energy use intensity (energy use per square meter) of all City of Saskatoon (City) recreation facilities. In addition to energy performance improvements, renewal of the facility is required, including pool basin leak repair, pool mechanical and building mechanical updates, roof improvements, washroom and change room redesign, and security and safety enhancements.

After the initial tender came in at more than twice the available construction budget, the scope of work was substantially revised and the work re-tendered. The latest tender result reflects what the Administration believes is the lowest price in Saskatoon's current market conditions to achieve the minimum scope of work required for the facility in order to maintain already-approved federal funding, as well as meeting the needs of the community for the foreseeable future.

The tender results exceed the current capital budget by \$5,950,000, and the Administration has prepared a possible path forward to fund this shortfall and deliver the project.

RECOMMENDATION

That the Administration recommend to City Council that:

1. The budget for Capital Project No. 10014, to support essential rehabilitation and upgrades at the Harry Bailey Aquatic Centre facility, be increased by \$5,950,000 to \$29,982,700; and
2. That the additional funding be allocated as outlined in the HBAC Funding Plan included in this report, which includes an exception to [Reserve for Future Expenditures Council Policy C03-003](#) for a \$500,000 allocation from the Fiscal Stabilization Reserve related to the 2023 operational savings at the HBAC.

BACKGROUND

At its June 28, 2021, Regular Business Meeting, City Council received a report entitled "[Green and Inclusive Community Buildings Program](#)," in which the Administration highlighted that Infrastructure Canada is accepting applications for the Green and Inclusive Community Buildings (GICB) program and requested City Council approval to submit applications, including the HBAC Major Retrofit under the large retrofit stream. City Council approved the report and directed the Administration to submit the applications, including major retrofit, to the GICB program.

[At its October 31, 2021](#), Regular Business Meeting, City Council resolved in part:

“1. That Capital Project P.10014 Harry Bailey Aquatic Centre Accessibility Upgrades & Pool Rehabilitation be increased by \$10,032,700 funded from Federal Government Funding.”

[At its January 25, 2023](#), Regular Business Meeting, City Council resolved:

“That \$10.5 million be added to Capital Project P.10014 Harry Bailey Aquatic Centre Accessibility Upgrades & 50m Pool Rehabilitation to be funded through the Civic Building Comprehensive Maintenance Reserve as outlined in the funding plan in this report.”

The HBAC Rehabilitation and Upgrades current budget is utilizing funds from the Civic Building Comprehensive Maintenance (CBCM) Reserve and the Federal GICB program.

Following finalization of the initial design in February 2023, the construction tender process from February to April 2023 resulted in bids that significantly exceeded the budget, prompting a tender cancellation and subsequent scope adjustment and redesign efforts.

The scope adjustment and redesign process was an extensive and collaborative effort involving facility operations, recreation programming, and technical consultants. The Administration aimed to achieve maximum cost reduction without compromising the project’s core objectives or the facility’s long-term functionality. The primary objective was to align the construction package within the available budget while ensuring compliance with GICB funding program requirements. Appendix 1 includes an overview of the adjustments to the scope of work for the project from the original scope to the current scope.

DISCUSSION/ANALYSIS

The revised construction tender package was finalized in March 2024, followed by the public posting of HBAC Renovation Request for Proposals No. 24-0224 on April 8, 2024. As a result of this process additional budget is required to complete the project and meet the requirements under the GICB program’s \$10.3 million funding allocation. The total project cost, including reductions for alternate cost items, plus PST, currently exceeds the available budget by \$5.95 million.

If the additional budget allocation is approved, the updated project schedule is outlined as follows:

- Planned Construction Contract Commencement Date: July 1, 2024
- Construction Substantial Completion Date: March 31, 2026
- Renovated Facility Full Re-Operation: Late Spring 2026

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Funding Plan:

To fund the additional costs, the Administration is recommending approval of the funding plan below. The funding sources shown in bold are new proposed funding sources to fill the remaining gap, while the other funding sources shown have been previously approved by Council. As shown, the Administration is proposing that the funding come from a variety of sources.

HBAC	2022	2023	2024	2025	2026	Total
Revised HBAC Project Budget						\$29,982,700
Funding Sources						
Currently approved GICB Federal Funding	\$10,032,700	\$ -	\$ -	\$ -	\$ -	\$10,032,700
Currently approved CBCM Allocation	\$ 3,500,000	\$ -	\$8,000,000	\$2,500,000	\$ -	\$14,000,000
NEW - Additional CBCM Allocation	\$ -	\$ -	\$ 400,000	\$400,000	\$ 450,000	\$ 1,250,000
NEW - Major Capital Funding Plan Allocation	\$ -	\$ -	\$ -	\$ 270,000	\$2,700,000	\$ 2,970,000
NEW - HBAC Operating Savings Allocation	\$ -	\$ 500,000	\$ 250,000	\$ 280,000	\$ 250,000	\$ 1,280,000
NEW - Transfer from P.02606 Leisure Centre Accessibility Upgrades	\$ -	\$ -	\$ 400,000	\$ -	\$ -	\$ 400,000
NEW Leisure Services Equipment Reserve	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
Total Funding	\$13,532,700	\$ 500,000	\$9,100,000	\$3,450,000	\$3,400,000	\$29,982,700

This plan, if approved, will transfer some of the operating savings realized from the closure of the facility to the capital project in the amount of \$1,280,000, spread over four years from when the facility was originally closed in 2023. This will require an exception to the Reserve for Future Expenditures City Council Policy C03-003 for the transfer of \$500,000 from the Fiscal Stabilization Reserve as that is where the 2023 operational savings were allocated to at 2023 year-end. This would reduce the Fiscal Stabilization Reserve balance to approximately \$5.3 million.

In addition, the funding plan requests an additional transfer of \$1,250,000 from the CBCM Reserve over three years, a transfer of \$50,000 from the Leisure Services Equipment Reserve and a transfer of \$400,000 from Capital Project P.02606 – Leisure Centre Accessibility Upgrades.

The HBAC Funding Plan also includes a \$2.97 million allocation from the Major Capital Funding Plan previously approved by City Council. This allocation will be made available through deferring work on the renovation of Fire Hall No. 6. With the

Saskatoon Fire Department's planned construction of Fire Halls No. 10 and 11, the renovation of Fire Hall No. 6 will be re-evaluated in the future.

FINANCIAL IMPLICATIONS

The financial implications are as outlined in the report.

OTHER IMPLICATIONS

There are no privacy, legal, social, or environmental implications identified.

NEXT STEPS

Should City Council approve the funding plan or an alternate plan to fully fund the balance, the Administration will proceed with approving the proposal, awarding the construction contract, and initiating the necessary construction agreement for timely commencement and completion of the rehabilitation and upgrades at HBAC.

APPENDICES

1. Comparison Original Tendered Design and Current Scope

Report Approval

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