
CITY OF KELOWNA

MEMORANDUM

Date: June 7, 2001
File No.: 0760-20

To: City Manager

From: Civic Properties Manager

Subject: Okanagan Kokanees Gymnastics Facility

RECOMMENDATION:

THAT City Council approve finalization of a Design/Build contract with Maple Reinders to design and construct a gymnastics facility for a sum not to exceed \$868,900 plus GST.

BACKGROUND:

City Council on October 24, 2000 adopted a resolution to proceed with the design and construction of a major recreation facility for gymnastics at the Rutland Sportsfield site in 2001 in partnership with the Okanagan Kokanees Gymnastics Club (OKGC). The project budget was set at \$1,000,000, with \$500,000 to be funded from long-term borrowing. The interest and principle of the long-term borrowing is to be repaid over 20 years by the OKGC. On December 18th, 2000 City Council approved a 20-year lease agreement with the OKGC establishing terms relating to the construction, financing and operation of the proposed facility.

An Expression of Interest for Design/Build of the proposed facility closed on March 2, 2001 resulting in five submissions. A shortlist of 4 respondents were invited by the Building Committee to respond to a Request for Proposal, which closed on April 1, 2001.

The following three proposals were received:

- | | |
|--------------------------------------|-------------|
| • Maple Reinders | \$946,950 |
| • C & T Construction Management Ltd. | \$1,170,000 |
| • RG Properties | \$1,205,890 |

Negotiations with Maple Reinders, the low bidder has been ongoing to refine the proposed design and to explore options for reducing costs.

There is considerable pressure to proceed quickly. A very aggressive construction schedule has been established in order to achieve a fall 2001 completion date.

The Building Committee (two-members of OKGC two City Staff and Phil MacDonald Architect) has worked diligently with the proponent to explore various cost reduction opportunities. Negotiations are in the final stages of bringing the construction cost within the established budget of \$868,900 plus GST.

To achieve the savings required, the concession, kitchen and activity room areas will be left unfinished, with walls constructed and utilities roughed-in only. The OKGC intend to pursue additional funding options with the objective of having these areas also finished by the time the building is opened. The revenues from the concession and activity room are an important component of the business plan proposed by the OKGC.

H. Ross Hyatt
Civic Properties Manager

HRH/cm

Cc: Director of Parks and Leisure Services

Okanagan Kokanees Gymnastics Club
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