



CITY OF MOOSE JAW

PARKS & RECREATION DEPARTMENT

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November 6, 2006

File#F-2-a

Mr. Ray Boughen and Dr. Paul Beesley
Moose Jaw Multiplex Builders Inc.
c/o 1339 Prince Crescent
Moose Jaw, SK
S6H 6E6

Gentlemen:

**Re: Dominion Construction – Preliminary Budget
Proposed Moose Jaw Multiplex**

First, thank you for providing us with a copy of the letter dated July 7, 2006 to Mr. Art Schoenroth from Mr. Mark Ouellette, Chief Estimator, Dominion Construction (received by my office on October 16, 2006) regarding their estimated budget costs to construct a Multiplex as envisioned by the Moose Jaw Multiplex Builders Inc.

Since receiving this quote, administration has had the opportunity to review the quote and compare it to the estimates in Nustadia's Business Plan. As discussed and as outlined in the spread sheet that was presented at the October 26, 2006 Moose Jaw Multiplex Builders Meeting, the City of Moose Jaw has the following comments relating to Dominion's budget estimates:

1. The budget does not include architectural design costs and contingencies. At 9.25% (as used in the Nustadia Business Plan) a total of \$3,771,849.19 should be added to this budget.
2. A project budget should carry an amount for soft costs such as permits, testing and inspections. The Nustadia Business Plan is carrying \$182,310.
3. Their budget does not have an allowance for furniture, fixtures and equipment. The project budget should include an amount similar to the Nustadia Business Plan which is \$1,136,310.
4. As per the Nustadia Business Plan, the project budget should be carrying \$3,000,000 for land acquisition and \$500,000 for Civic Centre demolition.
5. Dominion Construction suggested a 10% design contingency be added (their point #2 under "List of Items Not Included"). This amount would add \$4,077,674.80 to address the fact that costs will go up as a more detailed design is completed.
6. Dominion suggested carrying an inflationary contingency if the project does not proceed in 2006. A figure of 1.5% per month has been used.

In summary, Dominion's current estimate of \$40,776,748 should be adjusted as follows to reflect the preliminary budget that would be required.

| | |
|--------------------------------|---------------------|
| Architectural Fees | \$3,771,849.19 |
| Soft Costs | 182,310.00 |
| Civic Centre Demolition | 500,000.00 |
| Unfixed Furnishings/Equipment | 1,136,310.00 |
| Land Acquisition | 3,000,000.00 |
| 10% Owners' Design Contingency | 4,077,674.80 |
| 18% Inflationary Contingency | <u>9,620,080.56</u> |
| Total | 22,288,224.55 |

Based on Dominion Construction's current construction costs of \$40,776,743 (without a parkade), and the above-noted additional costs, their budget should be adjusted to \$63,064,972.55. In comparison, the Nustadia Business Plan costs should be adjusted from \$39,303,373 to \$48,794,030.14. For comparison purposes, please see the attachment.

In conclusion, the costs provided by Dominion Construction were only construction costs, and do not represent an overall project budget. The purpose of this letter is to identify other project costs that were not included in the estimate provided by Dominion Construction.

The current view of administration is that the attached budget reflects the current minimum cost based on the construction environment and will be included in future reports to City Council.

If you wish to discuss this further, please contact me.

Yours truly,



Jody Hauta
Director of Parks & Recreation

/ps/mm

Encl.

c: Mayor and City Council
Garry McKay, City Manager

Comparison of Construction and Other Costs - Nustadia Business Plan/Dominion Estimate

| | Proposed Multiplex Dominion Construction | Nustadia Business Plan Downtown Site |
|---|---|---|
| Construction Costs | | |
| Estimate (July 7, 2006 Letter) | \$47,600,748.00 | n/a |
| Less Parkade | \$6,824,000.00 | n/a |
| Subtotal Construction Costs | \$40,776,748.00 | \$29,250,000.00 |
| Other Costs | | |
| Demolition of Civic Centre | \$500,000.00 | \$500,000.00 |
| Architect/Design Contingency (9.25%) | \$3,771,849.19 | \$2,795,013.00 |
| Unfixed Furnishing and Equipment | \$1,136,310.00 | \$1,136,310.00 |
| Owner's Design Contingency | \$4,077,674.80 | \$1,010,439.00 |
| Soft Costs (includes 3% Contingency) | \$182,310.00 | \$1,611,611.00 |
| Land | \$3,000,000.00 | \$3,000,000.00 |
| Subtotal Other Costs | \$12,668,143.99 | \$10,053,373.00 |
| Subtotal Construction and Other Costs | \$53,444,891.99 | \$39,303,373.00 |
| Adjusted Costs | | |
| Design Contingency Adjustment | \$0.00 | \$2,047,500.00 |
| Increased Costs (18%) | \$9,620,080.56 | \$7,443,157.14 |
| Subtotal Adjusted Costs | \$9,620,080.56 | \$9,490,657.14 |
| Total Construction, Other and Adjusted Costs | \$63,064,972.55 | \$48,794,030.14 |

Notes:

1. Mark Ouallate confirmed via a telephone conversation that the Dominion Estimate includes a 4% Project Management Fee.
2. In the Other Costs section, a 10% contingency was added to the Dominion Estimate as suggested in their letter dated July 7, 2006.
3. The same figure has been carried for unfixed furnishings and equipment in both budgets. In reality, the cost of unfixed furnishings and equipment for the larger facility will be more.
4. In the other costs section, Dominion suggested a 10% contingency. Nustadia carried a 3% contingency. An additional 7% contingency has been added to the Nustadia quote in the adjusted costs section.
5. Soft Costs for the Nustadia quote include a 4% project management fee.
6. The totals above are based on a 2007 construction start.
7. The Design Contingency Adjustment for the Nustadia Quote has been added to the construction and other costs before applying the 18% Increased Cost amount.

July 7, 2006.

C&E Plumbing & Heating,
421 High Street West,
Moose Jaw, Saskatchewan,
S6H 1T2.

Attention: Mr. Art Schoenroth

| | | |
|---------------------------|-------------|-----------|
| PARKS & RECREATION DEPT. | | |
| Received <u>Oct 10/06</u> | | |
| File No. <u>File</u> | | |
| Checked by | Referred to | Copied to |
| | <u>Tody</u> | |
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**Dominion
Construction**

Dear Sir:

Re: Preliminary Budget Moose Jaw Communiplex

As requested, we have prepared a preliminary budget for the Moose Jaw Communiplex. Our budget is based on the April 17, 2006 drawings that were provided by Saunders Evans Architects Inc. and our previous experience constructing similar facilities.

We have broken the building into 5 parts and have noted some items for each area as well. A complete scope of work would result in a fairly large document, but the list should help highlight items that may be carried in other budgets and generally cover significant cost items.

Budget Breakdown:

- 1. Arena \$24,789,878
- 2. Curling Rink \$ 7,078,560
- 3. Soccer Fields \$ 6,213,464
- 4. Sitework \$ 2,714,846
- 5. 500 Car Parkade \$ 6,804,000

Total Preliminary Budget \$47,600,748

If the second level of parking is not required (surface parking only) then deduct \$5,103,000 from the budget.

List of Items Includes:

- 1. Arena
 - a. Rink slab to consist of a structural slab on void form supporting rigid insulation and the rink topping slab. This has been done to prevent any movement in the rink slab. We are concerned about building over a demolition site. Refrigeration coils would be in the topping slab and heating coils would be in the structural slab.
 - b. Commercial kitchen equipment has been included.
 - c. Seating for 4,500 has been included.
 - d. Rink systems include:
 - i. P.A. System
 - ii. Time Clock (\$150,000 only)
 - iii. Goal nets.

- DESIGN / BUILD
- GENERAL CONTRACTING
- PROJECT MANAGEMENT
- CONSTRUCTION MANAGEMENT
- SPECIAL PROJECTS

DOMINION CONSTRUCTION
COMPANY INC.

860 PARK STREET
REGINA, SASKATCHEWAN
CANADA S4N 4Y3

TEL (306) 721-8500

FAX (306) 721-2710

www.dominionco.com

- iv. Removable Board System
- v. Tempered Glass
- vi. Gate systems and Goalie Nets
- vii. Protective netting
- e. Refrigeration System
- 2. Curling Rink
 - a. Rink slab to consist of a structural slab on void form supporting rigid insulation and the rink topping slab. This has been done to prevent any movement in the rink slab. We are concerned about building over a demolition site. Refrigeration coils would be in the topping slab and heating coils would be in the structural slab.
 - b. All other main floor slabs to be structural slabs constructed on void form.
 - c. As noted by the architect this will be a clear span (column free) rink area. This results in a building that is considerably higher than shown to allow for the clear span trusses.
 - d. Significant glazed area looking into the curling area.
 - e. Bleachers with individual seats for 800 spectators.
 - f. Commercial kitchen equipment has been included.
 - g. Refrigeration System
- 3. Soccer Fields
 - a. All floor slabs to be structural slabs constructed on void form.
 - b. There are no columns within the soccer field area (clear span throughout).
 - c. We have allowed for 30' clear height which more than shown on the cross section which increases the building height dramatically.
 - d. Field turf has been included.
 - e. Commercial kitchen equipment has been included.
 - f. Allowance of \$25,000 for seating.
 - g. Safety netting.
 - h. P.A. Systems.
 - i. Time Clocks.
- 4. Sitework
 - a. Demolition of all buildings, paving curbs etc. (clear the entire site).
 - b. An allowance of \$500,000 for utility relocates.
 - c. An allowance of \$250,000 for hazardous waste removal.
 - d. All landscaping, sidewalks, curbs, streetscaping etc. shown outside of the building lines.
 - e. The recessed loading ramp.
- 5. Parkade
 - a. All work associated with constructing a 500 car parkade on the adjacent property.

List of Items Not Included:

- 1. GST
- 2. Any Contingencies. We would suggest a minimum of 10% of the total project budget at this time.

3. Inflation. All pricing is based on a 2006 construction start. Construction costs have increased dramatically over the past couple of years and continue to trend upward (although at a slower pace).
4. Service costs for power, electricity, telephones, gas, or water.
5. City walks and curbs.
6. Repairs to adjacent streets.
7. Design costs.

The above budget can vary considerably depending on the final design and the tender market at the time. The facility can be constructed for a reduced budget if systems can be changed to save money. On the flip side, costs can increase dramatically if care and attention are not taken to control the scope of the project.

We have a lot of experience working with project teams on similar facilities and find that it takes constant vigilance with respect to scope and budget to deliver a project that best meets the requirements for the budget allowed and in the time permitted. The above budget is a snapshot based on preliminary drawings and previous experience. As mentioned above, budgets can vary considerably as they evolve.

In summary, the concept is exciting and would be a significant benefit to Moose Jaw. I hope that the above proves helpful. Please let us know if there is anything else that we can do to help you move this project forward.

Yours very truly,

DOMINION CONSTRUCTION COMPANY INC.



F.M. (Mark) Ouellette
Chief Estimator, Sask.

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