



Infrastructure Services

Prepared for: Regular Council

Report: IS-18-2025

Meeting Date: July 21, 2025

1. Title:

Tender Award – Gibson Centre Expansion Project – Contract ISE-25T-GCAE23/GCBE25

2. Recommendations

That: Council accepts and approves the tender submission for the Gibson Centre Expansion Project, Contract ISE-25T-GCAE23/GCBE25 from NIACON Limited in the amount of \$7,261,522.00 (including 13% HST), and further

That: Council authorizes the extension of the contract with ATA Architectural Inc. assignment for contract administration and inspection services in the amount of \$54,743.00 (including 13% HST), and further

That: Council amends the 2025 Capital Budget to supplement the Gibson Centre Building Expansion Project (GCAE23) by \$2,115,124 with debentures of \$2,080,000 and \$35,124 from the Facilities Maintenance Reserve, and further

That: Council amends the 2025 Capital Budget to decrease the Point Abino Road South Reinstatement (PARR20) by \$2,080,000 with debenture financing, and further

That: Council amends the 2025 Capital Budget to supplement the Gibson Centre Vehicle Bay Expansion Project (GCBE25) by \$588,700 from the Development Charges (DC) Reserve.

3. Relation to Council's Corporate Strategic Plan

Priority: Quality of life and community well-being

This project also relates to Sustainable and Managed Growth

4. List of Stakeholders

- Mayor and Council of the Town of Fort Erie
- The Residents of the Town of Fort Erie
- ATA Architectural Inc.
- NIACON Limited Remaining Bidders on the project
- Town of Fort Erie Staff

5. Purpose of Report

The purpose of this report is to advise Council of the tender process for Gibson Centre

Expansion Project and to request Council's approval to award the tender of Contract ISE-25T-GCAE23/GCBE25 to NIACON Limited of Niagara Falls, in the amount of \$7,261,522.00 (Including 13% HST).

The report further requests Council's approval to extend an existing engineering assignment to ATA Architectural Inc. This additional assignment includes contract administration and inspection services in the amount of \$54,743.00 (including 13% HST).

Further, Council is being requested to consider and approve the necessary amendment to the 2025 Capital Budget. The original approved budget of \$4,103,000 will require a budget amendment increase of \$2,703,823 from Development Charges (DC) due to expanded scope of the project to accommodate Engineering staff at Gibson Centre, address inflation that was identified before tariffs and rising construction material prices since the original budgeting. This will supplement the project in order to account for the difference between the original project costs and the approved budget.

6. Analysis

Background

The Town of Fort Erie issued a tender for the Gibson Centre Expansion Project, located at 1818 Pettit Road, Fort Erie, ON L2A 5M4. This project is a strategic investment aimed at enhancing the operational capacity of the John L. Gibson Centre, a municipal public works facility originally constructed in 1993.

The Gibson Centre currently houses the Town's public works operations, including roads and drainage, water/wastewater services, parks and cemetery services, and fleet maintenance. The existing building comprises administrative offices, staff amenities, vehicle storage, repair bays, and general storage, and is serviced by rooftop HVAC units and gas-fired unit heaters.

In response to growing operational demands, administrative space pressures and the need for updated infrastructure, the Town plans to undertake a significant expansion of the facility. The proposed scope of work includes:

- Construction of a new two-storey building, connected to the existing structure, totaling approximately 1,182 m² (591 m² per floor).
- Expansion of the vehicle bay area by an additional 491 m².
- Resulting in a new total construction area of approximately 1,673 m² (18,008 ft²).

The new administrative space will accommodate modernized offices, workstations, meeting and multipurpose rooms, a server room, and dedicated storage areas. The project also encompasses extensive site improvements, including upgrades to site servicing infrastructure, stormwater management systems, site grading, parking capacity (existing and future), landscaping, and provisions for improved public access.

In summary, the works included in the tender for the Gibson Centre Expansion Project are divided into the following six main sections:

1. Section A – General Conditions
2. Section B – Office Building Expansion
3. Section C – Vehicle Bay Expansion
4. Section D – Site Works / Site Services
5. Section E – Cash Allowances
6. Section F – Contingency Allowance

Furniture, Fixtures, and Equipment (FFE)

FFE requirements for the new office space including workstations, seating, meeting room furniture, and operational equipment are not included in the current construction budget. A preliminary estimate of costs is \$931,104. A separate funding request will be submitted for the 2026 fiscal year to support the procurement and installation of any essential furnishings.

Contract Administration and Site Inspection Services

The original competitive Negotiated Request for Proposals (NRFP) process completed in April 2024 incorporated engineering design and tendering services as the primary tasks and contract administration and inspection services as provisional tasks. ATA Architectural Inc. was competitively rated for the engineering design and tendering; as well as contract administration and inspection services for the project receiving the highest score in the financial sections. The engineering design and tendering services have been completed by ATA Architectural Inc. However, the provisional contract administration and inspection services have not yet been awarded.

Given the familiarity with the design of the project and Town inspection staff having been committed to other 2025/2026 capital projects, Town staff recommends that ATA Architectural Inc. be retained to provide contract administration and inspection services. Based on the competitive evaluation results, Town staff recommends services to be extended in the amount of \$54,743.00 (including 13% HST) for Contract ISE-25T-GCAE23/GCBE25 assignment.

Table 1: Design, Tendering and Contract Administration and Inspection Services
(All amounts include Net of NRHST)

GIBSON CENTRE EXPANSION PROJECT-OFFICE BUILDING	
Contract ISE-25T-GCAE23	
Project Component	Cost
Engineering Design & Tender	\$130,980.00
Contract Administration and Inspection Services	\$29,579.00
Total Costs (Design, Tendering and Contract Administration and Inspection Services)	\$160,559.00

Table 2: Design, Tendering and Contract Administration and Inspection Services
(All amounts include Net of NRHST)

GIBSON CENTRE EXPANSION PROJECT -VEHICLE BAY Contract ISE-25T- GCBE25	
Project Component	Cost
Engineering Design & Tender	\$87,320.00
Contract Administration and Inspection Services	\$19,719.00
Total Fees (Design, Tendering and Contract Administration and Inspection Services)	\$107,039.00

Tender Call

The Gibson Centre Office Building Expansion Project GCAE23 and Gibson Centre Vehicle Bay Expansion GCBE25 projects were approved in the 2023 and 2025 Capital Budgets, with a total allocation of \$4,103,000 for the design, general conditions, office building expansion, vehicle bay and site services. Tender ISE-25T-GCAE23/GCBE25 was issued in accordance with and adhered to the provisions of the Town of Fort Erie's Procurement By-law 123-2022, which governs the purchase of goods, services, and construction.

The tenders closed on Friday, July 11, 2025, at 2:00 p.m. local time and an opening took place shortly thereafter by procurement staff. Five (5) tenders were received through the Town's bidding system, Biddingo.com. The submitted tenders were checked for mathematical errors and tender specification conformance. A detailed spreadsheet, including unit prices submitted by the contractors is available for review by members of Council in the Infrastructure Services Department. The tender summary is presented in Table 2 below:

Table 3: Tender Summary

GIBSON CENTRE EXPANSION PROJECT		
ISE-25T- GCAE23 / GCBE25- Submitted Tenders		
Contractor	Tender Price (including 13% HST)	Tender Price (net of NRHST)
Aveiro Constructors Limited	\$8,257,392.17	\$7,436,037.41
Brouwer Construction (1981) Ltd	\$7,433,538.89	\$6,694,132.01
G.S. Wark Limited	\$7,630,438.00	\$6,871,445.76
GEN-PRO	\$7,584,221.00	\$6,829,825.92
Niacon Limited	\$7,261,521.72	\$6,539,225.23

All bids exceeded the \$4,103,000 budget allocated for the project. This was due to project scope expansion but also significant increases in construction material and labour costs caused by

market inflation, including rising prices for steel, construction materials, labour shortages and wage inflation that further impacted the budget.

During the design phase of the Gibson Centre Expansion project, it was identified that the existing facility's layout, space limitations, and aging infrastructure were contributing to operational inefficiencies. In particular, the current office and vehicle bay spaces no longer adequately support the Town's growing public works operations. Addressing these challenges through the expansion and modernization of the facility is necessary to improve long-term operational efficiency, accommodate future service needs, and reduce ongoing maintenance pressures.

As part of the Gibson Centre Expansion Project, the Town is investing in energy-efficient materials and building systems to address immediate infrastructure challenges while reducing long-term operating costs. These design choices support the Town's commitment to sustainability and fiscal responsibility by creating a more efficient and cost-effective facility. In addition, the combined impact of market inflation and an expanded project scope has increased overall construction costs, reinforcing the need for a budget adjustment. However, these upfront investments are expected to yield benefits through improved energy performance and reduced maintenance requirements.

It is recommended that Contract ISE-25T- GCASE23/GCBE25 Gibson Centre Expansion project be awarded to NIACON Limited for the upset limit of \$7,261,522 (including 13% HST). Budget amendments are required to increase funding for both capital projects.

7. Financial, Staffing and Accessibility (AODA) Implications

Total project funds available for this project are \$4,103,000. A summary of total project costs and funding sources are noted below in Table 4 and Table 5. AODA standards have been considered when developing this project.

Table 4: Total Project Cost-Office Building *(All amounts include Net of NRHST)*

Project Component	Cost
Engineering Design Services	\$108,918.00
Construction	\$4,504,565.00
Inspection, Contract Administration and Project Management	\$29,579.00
Geotech Report	\$16,506.00
Surveys	\$5,556.00
Total Project Costs	\$4,665,124.00

Table 5: Total Project Cost - Vehicle Bay *(All amounts include Net of NRHST)*

Project Component	Cost
Engineering Design Services	\$72,612.00
Construction	\$2,034,660.00
Inspection, Contract Administration and Project Management	\$19,719.00
Geotech Report	\$11,004.00
Surveys	\$3,704.00
Total Project Costs	\$2,141,699.00

Table 6: Available Funding Sources

Funding Sources	Funds
Gibson Centre Expansion (GCAE23) - DC Reserves	\$2,550,000
Gibson Centre Vehicle Bay Expansion (GCBE25) - DC	\$1,553,000
Total Project Funds Available	\$4,103,000

Table 7: Variance Projection - Office Building *(All amounts include Net of NRHST)*

GIBSON CENTRE EXPANSION PROJECT		
BUDGET (GCAE23)		
Total Estimated Project Cost	Total Project Funds	Variance
\$4,665,124	\$2,550,000	(\$2,115,124)

The Town is investigating eligibility of DC funding for elements of the project that have expanded since the original scope. Using general guidelines of the 2024 DC Study, it is currently assumed that all of the above negative variance will need to be funded separately from DC sources. IS staff recently updated forecasts for the Point Abino Road South Reinstatement project (PARR20) and can reduce the project by \$2,080,000 and release the related debenture financing to support this variance. This will be further addressed in future capital variance report. It is therefore recommended that this previously forecast but unissued debt be assigned to the project above to address the variance. The remaining \$35,124 is proposed to be funded from the Facilities Maintenance Reserve. Debt charge impacts of this debt, using a 20-year debt issued in 2027 at an estimated rate of 4.5% are 2027 interest accruals of \$47,000 with full annual costs of \$158,000 forecast for 2028.

Table 8: Variance Projection - Vehicle Bay *(All amounts include Net of NRHST)*

GIBSON CENTRE EXPANSION PROJECT		
BUDGET (GCBE25)		
Total Estimated Project Cost	Total Project Funds	Variance
\$2,141,699	\$1,553,000	(\$588,700)

The DC Reserve has a forecasted 2025 ending balance of \$14.8M to support the above negative variance of \$588,700. A transfer request has been made to cover the deficit related to design, contract administration, construction, geotechnical services, and inspection. Should the full amount not be required, any unused portion will be returned to the reserve account upon project completion.

8. Policies Affecting Proposal

By-law 136-2023 adopted Council's 2023-2026 Corporate Strategic Plan. Quality of Life and community well-being and Sustainable and managed growth.

The Gibson Centre Expansion Project offers several key benefits, including enhanced operational efficiency, improved energy performance, and long-term environmental sustainability. The upgraded facility will provide a safer, more functional workspace for staff while supporting the Town's increasing service demands. By addressing current infrastructure limitations and modernizing critical systems, the project will help prevent costly future repairs and improve overall service delivery. Ultimately, this expansion represents a strategic investment in the Town of Fort Erie's operational capacity and supports the long-term well-being of the community and its residents.

The provisions of the Town of Fort Erie Procurement Policy By-law 123-2022 were adhered to during the tender process for this project.

9. Comments from Departments, Community and Corporate Partners

Relevant comments from relevant departments have been incorporated into this report.

10. Alternatives

Council has the option of not authorizing the award of this contract and postponing the Gibson Centre Expansion project; however this project is critical due to the limitations of the existing facility, which no longer meets the operational needs of the Town's public works services. The aging infrastructure, inefficient building systems, and restricted workspace are contributing to increased maintenance demands, reduced staff productivity, and long-term operational risks. If these deficiencies are not addressed, they will continue to negatively affect service delivery and result in escalating repair costs.

The proposed expansion and modernization are essential to ensure the facility's functionality, safety, and long-term sustainability. Given the scale and nature of the existing deficiencies, no alternative solution can provide the same operational benefits without compromising service levels or leading to higher future expenditures.

Therefore, proceeding with the expansion is the most viable and responsible course of action to support the Town's current and future operational requirements.

11. Communicating Results

Results from the report will be communicated with the successful bidder upon Council's decision.

The project is anticipated to begin September 2025 and be substantially completed by September 2026.

The Gibson Centre staff will be updated on Construction timelines upon Council's decision.

12. Conclusion

It is recommended that the contract for ISE-25T-GCAE23/GCBE25 Gibson Centre Expansion Project be awarded to NIACON Limited with an upset limit of \$7,261,522 (including 13% HST).

Staff recommends the extension of the ATA Architectural Inc for contract administration and inspection services in the amount of \$54,743 (including 13% HST).

Council's approval is requested for an amendment to the 2025 Capital Budget to supplement the Gibson Centre Expansion project (GCAE23) by \$2,115,124 with debentures of \$2,080,000 and \$35,124 from the Facilities Maintenance Reserve.

Council's approval is requested for an amendment to the 2025 Capital Budget to decrease the Point Abino Road South Reinstatement project (PARR20) by \$2,080,000 with debenture financing.

Council's approval is requested for an amendment to the 2025 Capital Budget to supplement the Gibson Centre Vehicle Bay Expansion project (GCBE25) by \$588,700 with funding from DC Reserves.

13. Report Approval

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14. Attachments

N/A