

REPORT TO COUNCIL FOR INFORMATION – EMERGENCY PURCHASE

Project Award	Reporting back to Council on the Delegated Authority to rectify the emergency events in May 2022 and December 2022 to the air supported structure (dome) at St. Francis Xavier Catholic Secondary School, 1145 Bronte Street South, Milton
Purpose of Report	As per Section 11.1 of the Purchasing By-law, a report to Council for information is required when the delegated authority provided in that section is utilized.
Background information	<p>A partnership with Halton District Catholic School Board (HDCSB) was developed in 2012 to pursue the installation and operation of an air supported structure in coordination with the construction of St. Francis Xavier Secondary School. The dome was originally installed in late fall of 2013 and operated as the Milton Indoor Turf Centre since that time. The Town oversaw the operation of the facility including the installation and removal of the dome on a seasonal basis.</p> <p>On May 21, 2022, a wind storm caused the dome to deflate, damaging the lighting system and door systems. This was an intense storm with winds up to 190 km/h and caused extensive damage in the Region. The Town issued a contract to Farley Manufacturing Inc. for emergency repairs to the dome at a total cost of \$309,355.60 (exclusive of HST).</p> <p>On December 23, 2022, a major winter storm damaged the dome beyond repair. This event was reported to the Town's insurer and became an insurance claim. Insurance managed the claim, including the cost for the tear down and disposal of the dome. Through the insurance claim process, the Town recovered the net amount of \$1,293,541 through the insurer.</p> <p>Through COMS-004-23, Council approved the issuance of a Request for Proposal for the supply and installation of an air supported structure (dome) for indoor sports at the site of the existing Milton Indoor Turf Centre as well as the operation/finance of the dome. The Town's objective was to engage the services of a third-party to deliver indoor sports for the use of the community, without capital or operating costs to the Town. Through CORS-031-23, Council approved the award of the proposal for the Town (the lessor) to enter into a 21-year less one day lease agreement with Razor Management Inc. (the lessee) for a Seasonal Air Supported Structure and Dome Operator Services.</p>

Financial Planning Section: Budget Impact

The net insurance amount of \$1,293,541 covered the Town's costs of tear down and disposal, the impact of business interruption loss and provided for a cash value for the air dome, net of the Town's deductible. In accordance with the Town's Treasury Policy No. 116 the net impact from this settlement will be transferred to the Legal and Insurance Reserve so that the Town's net operating budget is not impacted.