

Amendment to Purchase Order 6054751 with Atlas Constructors Inc. for the Construction of the Scarborough Arena Gardens for Parks and Recreation

Date: April 28, 2026

To: General Government Committee

From: General Manager, Parks and Recreation and Chief Procurement Officer

Wards: 20 – Scarborough Southwest

SUMMARY

The purpose of this report is to request authority to amend Purchase Order 6054751 issued to Atlas Constructors Inc., under the Request for Tender Document Number 3819550702 (Contractor Number 21-PFR-161) for the reconstruction of the Scarborough Arena Gardens.

The total value of the current Purchase Order Amendment being requested is \$1,371,983 net of all applicable taxes and charges, revising the current Purchase Order value from \$34,601,698 net of all applicable taxes and charges (\$35,210,688 net of Harmonized Sales Tax recoveries) to \$35,973,680 net of all applicable taxes and charges (\$36,606,817 net of Harmonized Sales Tax recoveries).

This Purchase Order Amendment is required to address various additional scope items identified near completion of construction during the inspection and commissioning phases. These include requirements arising from Technical Standards and Safety Authority and building inspections; operational needs to integrate existing site lighting with the solar energy system; refinements to building finishes to improve durability; upgrades to the refrigeration system to meet current standards; and implementation of optimized exterior drainage solutions to mitigate site-specific icing and runoff conditions and enhance public safety. The amendment also provides for compensation to the contractor for the negotiated delay claim.

RECOMMENDATIONS

The General Manager, Parks and Recreation and the Chief Procurement Officer recommend that:

The General Government Committee, in accordance with Section 71-11.1C of the City of Toronto Municipal Code Chapter 71 (Financial Control Bylaw), grant authority to the General Manager, Parks and Recreation to amend Purchase Order 6054751 issued to Atlas Constructors Inc. for the reconstruction of the Scarborough Arena Gardens by increasing the value by \$1,371,983 net of all applicable taxes and charges (\$1,396,130 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$34,601,698 net of all applicable taxes and charges (\$35,210,688 net of Harmonized Sales Tax recoveries) to \$35,973,680 net of all applicable taxes and charges (\$36,606,817 net of Harmonized Sales Tax recoveries).

FINANCIAL IMPACT

The total value of the purchase order amendment identified in this report is \$1,371,983 net of all applicable taxes and charges (\$1,396,130 net of Harmonized Sales Tax recoveries), revising the current Purchase Order value from \$34,601,698 net of all applicable taxes and charges (\$35,210,688 net of Harmonized Sales Tax recoveries) to \$35,973,680 net of all applicable taxes and charges (\$36,606,817 net of Harmonized Sales Tax recoveries).

The total value of the two PO amendments is \$4,196,880 equaling 9% of the original purchase order amount.

Funding for this purchase order amendment is included in Parks and Recreation's 2026 Capital Budget and 2027-2035 Capital Plan as summarized in Table 1 below (net of Harmonized Sales Tax recoveries).

Table 1: Financial Impact Summary

WBS Element	Description	Year	Total (Net of HST Recoveries)
CPR121-49-01	CAMP (SGR) Arenas	2026	\$1,371,983

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

At its meeting on February 25 2025, General Government Committee approved a Purchase Order Amendment with Atlas Constructor Inc. in the amount of \$2,824,898 net of all applicable taxes and charges (\$2,874,616 net of Harmonized Sales Tax recoveries), for additional scope including green roof, additional paving on-site, improved lighting in the parking area, additional site security requirements and to replenish the depleted contingency.

<https://www.toronto.ca/legdocs/mmis/2025/gg/bgrd/backgroundfile-253165.pdf>

At its meeting on July 10, 2023, General Government Committee granted authority to award Request for Tender Ariba Document No. 3819550702, Contract No. 21-PFR-161 to Atlas Constructors Inc., being the lowest bidder meeting the specifications of Request for Tender for the reconstruction of the Scarborough Gardens Arena, in the amount of \$31,776,800 net of all applicable taxes and charges, (\$32,336,072 net of Harmonized Sales Tax recoveries).

<https://secure.toronto.ca/council/agenda-item.do?item=2023.GG5.9>

COMMENTS

Background:

The Scarborough Arena Gardens, originally opened in 1951, has undergone a major state-of-good-repair project, reaching substantial completion in December 2025. The project involved the full replacement of the existing facility, whose roof and structural systems had reached the end of their service life.

The redeveloped arena includes significant improvements such as enhanced community spaces, an upgraded refrigeration system, and a new rink slab built to National Hockey League–size specifications with associated dasher boards. Additional upgrades include modernized public washrooms and change rooms, as well as comprehensive improvements to the building’s mechanical and electrical systems and accessibility features throughout.

The new facility layout features an NHL-sized rink, seven dressing rooms, two multi-purpose rooms, and a welcoming lobby. The Scarborough Arena Gardens was opened to the public on December 1, 2025.

The construction contract for this project was awarded to Atlas Constructors Inc. in July 2023, and the original Purchase Order value was issued in the amount of \$31,776,800 net of all applicable taxes and charges (\$32,336,072 net of Harmonized Sales Tax recoveries).

The current purchase order amendment is required for the following reasons:

Additional work identified near completion and during commissioning:

- An additional \$288,641 for various additional scope items identified near completion of construction during the inspection and commissioning phases. These include requirements arising from Technical Standards and Safety Authority and building inspections and improvements identified by operations staff such as:
 - Installation of an emergency eyewash station, along with an additional sprinkler and fire extinguishers in the refrigeration room, to meet regulatory and inspection requirements.
 - Modification of the refrigeration room exhaust system in response to Technical Standards and Safety Authority comments, to mitigate risks associated with ammonia refrigerant.

- Provision of electrical infrastructure to support a new electric Zamboni, along with an increased water service size to improve operational efficiency.
 - Enhancements to the fire alarm system, including additional modifications and installation of CO/NO₂ combined gas detectors in the rink area, to improve safety as requested by the building inspector.
 - Provision of additional heating for the rink office.
- Site Lighting Upgrades in the amount of \$215,300 to improve site lighting including the conversion of existing exterior light fixtures to LED and integration of the lighting system with the new solar photovoltaic (PV) system.
- Building Design and Finishes Modifications in the amount of \$62,605 for building finishes modifications to various building features and components, as identified in consultation with facility operations staff.
- Heat Tracing and Drainage Improvements in the amount of \$310,436 to supply and install heat tracing systems at downspouts and to enhance drainage adjacent to the concrete sidewalk. These improvements will effectively capture and redirect water away from pedestrian areas, reducing the risk of ice accumulation at downspouts and on walking surfaces during winter conditions.

Delay claim and settlement:

- The original substantial completion date at the start of the contract was December 2024. The actual substantial completion was achieved in November 2025. In January 2026, the Contractor submitted a delay claim in the amount of \$1,376,409 for 372 days for project carrying cost, additional bonding and insurance.

The Contract Administrator and City staff reviewed the claim and determined that the Contractor is entitled to a total of 111 days of schedule delay. These delays resulted from the removal of contaminated soil and an existing oil tank, as well as additional work carried out under approved Change Orders. The schedule impacts of this additional work had not been fully reflected in previous project timelines.

A final settlement of \$495,000 was reached in March 2026. Legal Services staff were consulted during the claim review process. The City staff, along with the Contract Administrator, recommend this amount as reasonable. The Contractor has agreed to this settlement. The settlement includes costs associated with extended site operations, including site trailers and facilities (such as washroom services), additional bonding and insurance required for the prolonged project duration, and project management costs. City staff and the Contract Administrator have reviewed the supporting documentation and confirm that the claim settlement amount is reasonable. The negotiated amount is consistent with the City's standard approach to resolving claims of this nature.

The current purchase order amendment also requests an extension of the Purchase Order delivery date from December 31, 2025, to December 31, 2026 to provide contractor sufficient time to address the remaining work and to process payments.

Previously Approved Purchase Order Amendment(s):

Purchase Order Amendment number 1, approved on February 25, 2025, in the amount of \$2,824,898 net of all applicable taxes and charges (\$2,874,616 net of Harmonized Sales Tax recoveries), for additional scope including green roof, additional paving on-site, improved lighting in the parking area, additional site security requirements and to replenish the depleted contingency.

CONTACT

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SIGNATURE

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Geneviève Sharkey
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