



The Corporation of the City of Sault Ste. Marie  
Special Meeting of City Council  
Revised Agenda

Thursday, August 18, 2022

4:30 pm

Council Chambers

Civic Centre

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Pages

**1. Approve Agenda as Presented**

Mover Councillor M. Shoemaker

Seconder Councillor S. Hollingsworth

That the Agenda for the August 18, 2022 Special City Council Meeting as presented be approved.

**2. Declaration of Pecuniary Interest**

**3. Mill Market Relocation**

Reports from the Manager of Purchasing and the Deputy CAO, Community Development and Enterprise Services are attached for consideration of Council.

**3.1. Tender – Relocation of Mill Market**

4 - 6

Mover Councillor D. Hilsinger

Seconder Councillor S. Hollingsworth

Resolved that the report of the Manager of Purchasing dated August 18, 2022 be received and (subject to funding approval per CDES report elsewhere on the agenda) that the tender submitted by Ruscio General Contracting for the Relocation of Mill Market 73 Brock Street at the negotiated tendered price of \$2,994,000 plus HST as requested by Community Development and Enterprise Services be approved;

Further that the City's Consultant (MGP Architects & Engineering Inc.) be authorized to issue a Letter of Intent to Ruscio General Contracting to commence mobilization for the Project.

A By-law authorizing signature of the Contract for this project will appear on a future Council Agenda.

**3.2. Mill Market Relocation Tender Results** 7 - 10

Mover Councillor D. Hilsinger

Seconder Councillor P. Christian

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated August 18, 2022 be received and City Council authorize an additional contribution of \$946,694 to the project;

Further that the shortfall amount be funded utilizing the \$200,000 previously committed to the promenade project and a contribution of \$746,694 from prior years uncommitted capital transportation funds;

Further that staff request FedNor provide an extension of the \$500,000 in funding awarded to the promenade project so that the City may be able to re-tender the project in the spring of 2023.

**3.3. *Supplementary Report*** 11 - 12

A report of the Deputy CAO, Community Development and Enterprise Services is attached for the information of Council.

Mover Councillor M. Shoemaker

Seconder Councillor S. Hollingsworth

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated August 18, 2022 concerning the Mill Market tender be received as information.

**4. Tender – Promenade Boardwalk Extension at Bondar Marina** 13 - 14

A report of the Manager of Purchasing is attached for the consideration of Council.

Mover Councillor M. Shoemaker

Seconder Councillor P. Christian

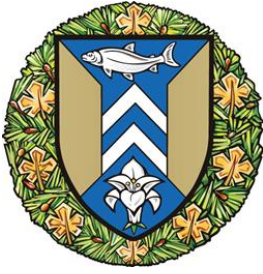
Resolved that the report of the Manager of Purchasing dated August 18, 2022 be received and that the bid solicitation as requested by Community Development and Enterprise Services be closed with no award as the single source bid exceeds the approved budget.

**5. Adjournment**

Mover Councillor D. Hilsinger

Seconder Councillor S. Hollingsworth

That this Council shall now adjourn.



**The Corporation of the  
City of Sault Ste. Marie**

**COUNCIL REPORT**

August 18, 2022

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Karen Marlow, Manager of Purchasing

**DEPARTMENT:** Finance Department

**RE:** Tender – Relocation of Mill Market 73 Brock Street

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**PURPOSE**

Attached for your information and consideration is a summary of the tenders received for Relocation of Mill Market 73 Brock Street, as required by Community Development and Enterprise Services. Staff is seeking Council approval of the tender recommendation..

**BACKGROUND**

On June 13, 2022 a report to Council by the Deputy CAO, Community Development and Enterprise Services identified Project Cost Estimate of \$2,262,307 for Relocation of Mill Market with funding provided from both City and Mill Market contributions, whereby City Council passed the following resolution:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated June 13, 2022 be received and City Council authorize staff to issue a tender for the renovations and leasehold improvements of 73 Brock Street to host Mill Market Sault Ste. Marie;

Further, that Council approve an expenditure of up to \$1,400,000 from the sources outlined above to fund a City contribution to the project;

Further, that Council approve an advance of up to \$410,000, interest free, from internal funds to cover leasehold improvements to the Mill Market which the Mill Market will pay back over a 25-year period with annual contributions of \$16,400;

Further, that Council direct staff to develop a lease agreement with Mill Market Sault Ste. Marie for the 73 Brock Street facility including a collaboration on the mobile retail units to be brought back to Council for approval.

The Tender for the relocation of Mill Market was publicly advertised. Public opening of the tenders took place on July 28, 2022 with the City Clerk in

attendance. Present at opening included City Staff from CDES and Procurement, and staff from consultant MGP Architects & Engineering Inc.

### **ANALYSIS**

Submissions from three (3) bidders were received prior to closing deadline. The tenders received have been thoroughly evaluated and reviewed with the City's Consultant for the project MGP Architects & Engineering Inc., and City staff representation from CDES and Purchasing.

Tenders received as follows:

S.&T. Electrical Contractors Ltd.	\$3,891,303
Ruscio General Contracting	\$3,389,000
Jobst Brothers Construction	\$3,394,720

Bid submissions were in excess of project estimates. Per Procurement Policy (Section 26) negotiations with lowest compliant bidder Ruscio General Contracting were undertaken to value manage within the project estimate.

### **FINANCIAL IMPLICATIONS**

The low tendered negotiated price from Ruscio, meeting specifications as recommended by the review committee is \$3,046,694, including non-rebatable portion of HST.

A report from Community Development and Enterprise Services appears elsewhere on the agenda, for reporting of current funding and budgeting information regarding this project.

### **STRATEGIC PLAN / POLICY IMPACT**

This project directly aligns with the Corporate Strategic Plan in multiple focus areas, including:

Quality of Life – Vibrant Downtown Areas We are striving to create a vibrant downtown that contributes to the vitality and resiliency of our City. Downtown areas play a central role in defining the character of our City. And also, "Promote and Support Arts and Culture."

Community development and Partnerships – Develop partnerships with key stakeholders.

### **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Purchasing dated August 18, 2022 be received and (subject to funding approval per CDES report elsewhere on the agenda,) that the tender submitted by Ruscio General Contracting for the Relocation of Mill Market 73 Brock Street at the negotiated tendered price of \$2,994,000, plus HST, as requested by Community Development and Enterprise Services be approved.

Tender – Relocation of Mill Market 73 Brock Street

August 18, 2022

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Further that the City's Consultant (MGP Architects & Engineering Inc.) be authorized to issue a Letter of Intent to Ruscio General Contracting to commence mobilization for the Project.

A By-law authorizing signature of the Contract for this project will appear on a future Council Agenda.

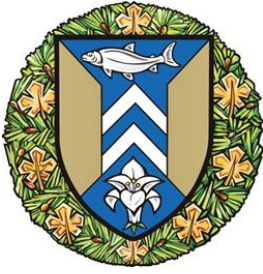
Respectfully submitted,

Karen Marlow

Manager of Purchasing

705.759.5298

[k.marlow@cityssm.on.ca](mailto:k.marlow@cityssm.on.ca)



**The Corporation of the  
City of Sault Ste. Marie**

**COUNCIL REPORT**

August 18, 2022

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Tom Vair, Deputy CAO, Community Development and Enterprise Services

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Mill Market Tender

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**Purpose**

The purpose of the report is to seek Council approval to advance the project to relocate Mill Market Sault Ste. Marie (Mill Market) to 73 Brock Street.

**Background**

On March 23, 2020 City Council approved the acquisition of 73 Brock Street with the purpose of hosting the Mill Market. Staff engaged architects at Brook McIlroy to do a conceptual design for the building.

On September 14, 2020 City Council authorized the finalization of the purchase of the 73 Brock Street property.

On February 22, 2022 City Council authorized an expenditure of up to \$260,000 from the 2021 Canada Community Building Fund (CCBF) Top-Up Allocation funding to procure architectural and engineering services associated with the project.

The result of the procurement process for this work saw the City engage with MGP Architects + Engineer Inc. (MGP) in the amount of \$159,500 + applicable HST.

On June 13<sup>th</sup>, 2022, City Council passed the following resolution:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated June 13, 2022 be received and City Council authorize staff to issue a tender for the renovations and leasehold improvements of 73 Brock Street to host Mill Market Sault Ste. Marie;

Further, that Council approve an expenditure of up to \$1,400,000 from the sources outlined above to fund a City contribution to the project;

Further, that Council approve an advance of up to \$410,000, interest free, from internal funds to cover leasehold improvements to the Mill Market which the Mill Market will pay back over a 25-year period with annual contributions of \$16,400;

Further, that Council direct staff to develop a lease agreement with Mill Market Sault Ste. Marie for the 73 Brock Street facility including a collaboration on the mobile retail units to be brought back to Council for approval.

A tender was issued for the project and closed on July 28, 2022. The results of the tender, included as a report from the Manager of Purchasing found elsewhere on tonight's Council agenda, found the low bidder of the project to be Ruscio Construction at a cost of \$3,389,000. This bid puts the project over budget by \$1,289,000. Staff and the consultant team at MGP Architects & Engineer Inc. engaged with the low-bidder, as per purchasing policies, to evaluate opportunities to value-manage the project and decrease the cost.

### **Analysis**

The increased cost to complete the project was not unexpected given the results of other recently tendered projects by the City and other public projects underway in the community. Increased costs throughout the supply chain, labour costs and fuel prices are affecting construction projects across North America.

The renovation project was designed keeping the budget approved for the project in mind and an awareness of the cost increases being experienced in the marketplace. The design stuck to the core elements required to convert the building to a market space and, as such, there were not a number of options to reduce costs. With that said, through the value management process an opportunity to reduce the cost by \$395,000 has been identified. This includes the following components:

- Siding – switch from a metal siding to a combination of stonework & stucco for a savings of \$245,000.00
- Site Services – have Public works undertake the installation of site services, curb and asphalt work for a savings of \$150,000

This results in a project award of \$2,994,000 + applicable HST for a total of \$3,046,694 which is \$946,694 over the previously established budget.

Elsewhere on the Council agenda is the result from the tender for the boardwalk promenade. This project came in at \$1,398,370 which was almost double the budgeted amount for the project of \$700,000. Staff is recommending that the



\$200,000 allocated to the promenade project be shifted to support the Mill Market project.

Staff can request that FedNor provide an extension on the funding for the promenade so that the City could consider a re-tender of the project in 2023 should the next Council be supportive of the project and wish to allocate additional funds to complete the boardwalk.

Further, it is recommended the remaining amount required to award the Mill Market project (\$746,694) come from prior years uncommitted capital transportation funds.

Utilizing the value management options identified and the funding sources from the City as outlined would result in no levy impact.

It should be noted that the Mill Market Board is still pursuing funding for the project with the Green and Inclusive Community Buildings Program. A revised application was submitted on June 8<sup>th</sup>, 2022 and the Mill Market Board and City staff are actively engaged with the program representatives. Should this funding application be successful it will reduce the City contribution by the amount received.

The relocation of the Mill Market is an important component of the downtown revitalization strategy. The building at 73 Brock Street was purchased with the intent of relocating the market as this site creates a number of positive synergies with the downtown plaza, mobile retail units and future events and programming.

In addition, the current Mill Market facility was never intentioned to be a permanent home for the market. The facility will require significant capital investment and remediation moving forward. If the facility were to remain on site, a complete building condition assessment would be required. Further, Council passed a resolution to examine opportunities to develop the Gateway site, which would necessitate a relocation of the market. The Mill Market project at 73 Brock Street will clear the Gateway site for future development.

The Mill Market project has been successful with a funding application to the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) Rural Economic Development (RED) Program for \$250,000. In addition, the Mill Market is making a \$40,000 contribution to the project from their reserve funds along with ongoing rental payments to help pay back leasehold improvements (\$410,000).

Staff recommends the project proceed so that this important component of the downtown revitalization strategy can be completed and the synergies envisioned between the downtown plaza and the Mill Market can be fully achieved.

### **Financial Implications**

The shortfall in approved budget can be accommodated from two sources:

- 1) \$200,000 transferring the funds previously approved for the promenade project from the Canada Community Building Fund (CCBF). The Mill Market project does align with the criteria for the CCBF fund
- 2) \$746,694 accommodated from prior years uncommitted capital transportation funds.

### **Strategic Plan / Policy Impact**

This acquisition aligns directly with several areas of the Corporate Strategic Plan including: Quality of Life – Vibrant Downtown Areas – We are striving to create a vibrant downtown that contributes to the vitality and resiliency of our City. Downtown areas play a central role in defining the character of our City.

And also, “Promote and Support Arts and Culture.” Community Development and Partnerships – Develop partnerships with key stakeholders

### **Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated August 18, 2022 be received and City Council authorize an additional contribution of \$946,694 to the project.

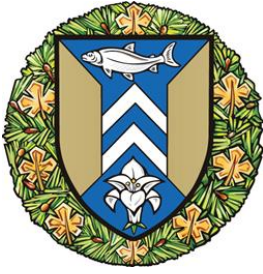
Further, that the shortfall amount be funded utilizing the \$200,000 previously committed to the promenade project and a contribution of \$746,694 from prior years uncommitted capital transportation funds.

Further, that staff request FedNor provide an extension of the \$500,000 in funding awarded to the promenade project so that the City may be able to re-tender the project in the Spring of 2023.

A report appears elsewhere on the agenda dealing with the award of the Mill Market tender project and the rejection of the promenade project.

Respectfully submitted,

Tom Vair  
Deputy CAO  
Community Development & Enterprise Services  
(705)759-5264  
[t.vair@cityssm.on.ca](mailto:t.vair@cityssm.on.ca)



**The Corporation of the  
City of Sault Ste. Marie**

**C O U N C I L   R E P O R T**

August 18, 2022

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Tom Vair, Deputy CAO, Community Development and Enterprise Services

**DEPARTMENT:** Community Development and Enterprise Services

**RE:** Mill Market Tender Results Addendum

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**Purpose**

The purpose of this report is to provide further information to City Council related to the Mill Market project, specifically as it relates to the Green and Inclusive Community Buildings (GICB) program.

**Background**

Staff and representatives from the Mill Market Board had a conference call with representatives from the GICB program this morning at 10am (Thursday, August 18<sup>th</sup>, 2022). The local team was able to convey the different aspects of the project and their alignment with GICB criteria.

Further, Staff was able to confirm that the program criteria allows funding to be applied back to April 1<sup>st</sup>, 2021 should the project be successful in receiving funding.

**Analysis**

Staff were able to clarify a number of the components of the project and had a positive discussion with representatives from the GICB program. The program is competitive and a decision on the funding application will depend on Federal approval processes and timelines.

A positive takeaway from the discussion is that, should the application be successful, the funding can be provided on a retroactive basis. Should Council approve the award of the tender and the project commences, all project expenses incurred from project inception would be eligible for funding.

**Financial Implications**

There are no direct financial implications from this addendum report at this time and the report is provided as information. Should the Mill Market be successful in their funding application to the GICB program it will reduce the funding required from the City.

**Strategic Plan / Policy Impact**

This acquisition aligns directly with several areas of the Corporate Strategic Plan including: Quality of Life – Vibrant Downtown Areas – We are striving to create a vibrant downtown that contributes to the vitality and resiliency of our City. Downtown areas play a central role in defining the character of our City.

And also, “Promote and Support Arts and Culture.” Community Development and Partnerships – Develop partnerships with key stakeholders

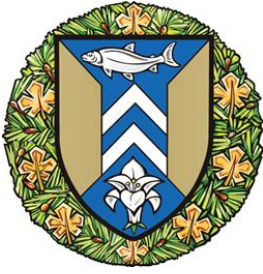
**Recommendation**

It is therefore recommended that Council take the following action:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated August 18, 2022 concerning the Mill Market tender be received as information.

Respectfully submitted,

Tom Vair  
Deputy CAO  
Community Development &  
Enterprise Services  
(705)759-5264  
[t.vair@cityssm.on.ca](mailto:t.vair@cityssm.on.ca)



**The Corporation of the  
City of Sault Ste. Marie**

**COUNCIL REPORT**

August 18, 2022

**TO:** Mayor Christian Provenzano and Members of City Council

**AUTHOR:** Karen Marlow, Manager of Purchasing

**DEPARTMENT:** Finance Department

**RE:** Tender – Promenade Boardwalk Extension at Bondar Marina

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**PURPOSE**

Attached for your information is a summary of the tenders received for Promenade Boardwalk Extension at Bondar Marina, as required by Community Development and Enterprise Services. Staff is seeking Council approval of the tender recommendation.

**BACKGROUND**

The Promenade project was presented in the 2022 Capital Budget as a potential growth project but was neither funded nor approved. The project was estimated at \$700,000 with \$200,000 funded from the Canada Community Building Fund, and FedNor contribution of \$500,000.

On January 31, 2022 City Council passed the following resolution:

Resolved that the report of the Deputy CAO, Community Development and Enterprise Services dated January 31, 2022 concerning the Canada Community Revitalization Fund be received and that Council authorize a contribution of \$200,000 from the Canada Community Building Fund to support the waterfront boardwalk project;

Further, that Council authorize staff to enter into an agreement with FedNor to receive the Canada Community Revitalization Fund project support.

(By-Law 2022-12 appeared elsewhere on the agenda for Council approval)

The tender for the construction of the Promenade Boardwalk Extension was publicly advertised, but closed with no bid responses by close date and time. One late bid from Poralu Marine Inc. was rejected and not opened per policy.

## **ANALYSIS**

Per Procurement Policy 22 3) e) where no bids are received in response to Bid Solicitation, authorization of single source may be considered.

Poralu Marine Inc. was contacted advising that their bid would be reviewed under this circumstance. Tender pricing was as follows:

Poralu Marine Inc.      \$1,398,370.00

## **FINANCIAL IMPLICATIONS**

Funding in the amount of \$700,000 was approved by City Council January 31, 2022. After costs of Architectural and Engineering Professional fees, the value remaining for construction is \$657,271 including non-rebateable HST.

The tendered amount cannot be accommodated within this allocation.

A report from Community Development and Enterprise Services appears elsewhere on the agenda addressing this matter.

## **STRATEGIC PLAN / POLICY IMPACT**

This project directly aligns with the Corporate Strategic Plan in multiple focus areas. The project aligns directly with the focus area of “Quality of Life” and the priorities identified which include Promote Quality of Life Advantages, Promote and Support Arts & Culture, Welcome and Seek Out Immigration and Create Vibrant Downtown Areas.

The project also aligns with the FutureSSM Community Development Strategy and Downtown Development strategy.

## **RECOMMENDATION**

It is therefore recommended that Council take the following action:

Resolved that the report of the Manager of Purchasing dated August 18, 2022 be received and that the bid solicitation as requested by Community Development and Enterprise Services be closed with no award as the single source bid exceeds the approved budget.

Respectfully submitted,

Karen Marlow  
Manager of Purchasing  
705.759.5298  
[k.marlow@cityssm.on.ca](mailto:k.marlow@cityssm.on.ca)