

FINANCIAL MANAGEMENT COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

**SUBJECT: LAUREL STREET WORKS YARD
CONSTRUCTION PHASE I**

RECOMMENDATION:

1. THAT Council approve the expenditure of \$15,200,000 (inclusive of GST of \$670,476) from Gaming Funds to finance the construction of Phase I of the Laurel Street Works Yard Redevelopment Project.

REPORT

The Financial Management Committee, at its meeting held on 2017 October 25, received and adopted the attached report seeking Council approval for the use of Gaming Funds for the construction of Phase I of the Laurel Street Works Yard Redevelopment Project.

Respectfully submitted,

Councillor D. Johnston
Chair

Councillor C. Jordan
Vice Chair

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| Copied to: | City Manager Deputy City Manager Director Planning & Building Director Engineering Director Finance Chief Building Inspector Purchasing Manager City Solicitor |
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TO: FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2017 OCTOBER 18

FROM: MAJOR CIVIC BUILDING PROJECT **FILE:** 4230 09
COORDINATION COMMITTEE

SUBJECT: LAUREL STREET WORKS YARD
CONSTRUCTION PHASE I

PURPOSE: To request approval for the use of Gaming Funds for the construction Phase I of the
Laurel Street Works Yard Redevelopment Project.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council approve the expenditure of \$15,200,000 (inclusive of GST of \$670,476) from Gaming funds to finance the construction of Phase I of the Laurel Street Works Yard Redevelopment Project.

REPORT

1.0 BACKGROUND

The Laurel Street Works Yard redevelopment (see *Attachment*) is the final phase of a plan to upgrade and replace aging and outdated operations facilities for the public works functions of the City. In order to replace facilities at the works yards, the City has developed a multi-stage redevelopment strategy for both the Still Creek and Laurel Street Works Yard sites.

The Still Creek Works Yard construction project was completed in 2014. Upon completion of the construction project, the sanitation, parks operations and sign shop were relocated to the Still Creek Works Yard. The space vacated by these operations supports the phased reconstruction of the Laurel Street Works Yard.

2.0 DESIGN PROGRESS

In 2014 September, Council approved the award of a contract to Omicron Consulting Ltd. for the design of the new Laurel Street Works Yard Redevelopment project.

In 2015, Omicron began confirmation of the functional program and preparation of the schematic design with the City. On 2016 June 23, the functional programming and schematic design process was completed.

In 2016, the design was further developed and geotechnical and environmental subsurface investigations were completed. On 2017 January 26, Omicron completed the design development drawings and preliminary phasing plans. The cost estimate at this stage established an order-of-magnitude preliminary project budget.

To: *Financial Management Committee*
From: *Major Civic Building Project Coordination Committee*
Re: *Laurel Street Works Yard -
Redevelopment Construction Phase I*
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Omicron and City staff completed the design development in 2017. This was followed by an application for Preliminary Plan Approval on 2017 August 28. A community open house was held on 2017 September 16 at the Laurel Works Yard for the benefit of the neighbourhood residents. Contract documents for the first phase of construction are being prepared and will be submitted for building permit application in the coming weeks.

3.0 REDEVELOPMENT PHASES

The redevelopment of the Laurel Street Works Yard will be split into two major construction phases:

- Phase I – Yard Building (estimated duration: 8 months)
- Phase II – Main Building (estimated duration: 36 months)

This phased approach will allow the Works Yard to continue to function during construction. The City's fleet repair garage, machine shop, mower shop, paint shop, plumbing/carpentry shop, welding shop, Engineering Dispatch and Stores functions will all remain on site throughout construction of both phases. Public Works/Operations is planned to move off site for Phase I and will move back to site towards the end of Phase II.

Construction Phase I includes the construction of the Yard Building and a portion of site servicing, as well as the demolition of select existing structures. After the Yard Building is constructed, Central Stores will be temporarily relocated into the Yard Building to allow for demolition of the existing Central Stores building. Phase I concludes with the demolition of the existing Central Stores structures and several other small buildings to allow for construction of the Main Building. Upon completion of Phase I, select site remediation work will be completed.

Phase II will commence with the construction of the Main Building. Upon completion of the Main Building, the City's Engineering and Public Works functions will move into the permanent quarters, and the remainder of the existing shops will be demolished. A new fuel station will be constructed and the remainder of the yard area will then be graded and paved.

Each of the two phases of construction will be tendered as a separate fixed price lump sum general contract on BC Bid to prequalified contractors. The preliminary project budget for Phase I and II is in the order of \$76 million.

4.0 PHASE I – YARD BUILDING

As noted, the Phase I construction primarily includes the Yard Building in the southwest corner of the project site, as shown on the attached Concept Plan.

The Yard Building includes covered parking spaces for tandem dump trucks (and their associated plows) as well as hoists to hang the salters/sanders directly above the truck parking spaces. The hoists provide more efficient storage, and the covered area increases the life of city-owned trucks and equipment. Capacity for storage in the building includes provision for salt, dump trucks and sanders associated with the winter maintenance of the Major Roads Network (MRN).

The Yard Building also includes enclosed storage for various Engineering Divisions (Roads and Drainage, Water Works, Sewers, Facilities Management) and three wash bays for cleanout of large industrial equipment (dump trucks, sanitation trucks, street sweepers, salters/sanders, etc). The Yard Building includes a specialized containment system for salt and other stored materials.

Since the Yard building is in close proximity to the residential properties, a portion of the roof will be covered with a “green roof” featuring drought-tolerant, low-profile grasses and sedums.

The Yard Building will be fit out to temporarily accommodate Central Stores during the Phase II construction by relocating existing furniture and installing used racking and shelving. The heaters used for the temporary Central Stores will later be relocated permanently to the Main Building’s fleet repair garage in Phase II.

Phase I also includes advanced site servicing required for the construction of the second phase of the project. Phase I concludes with the demolition of several existing minor structures on site.

5.0 PROJECT BUDGET/FINANCING

A Quantity Surveyor (Hanscomb Ltd.) has been retained to complete a Class B cost estimate of the Yard Building. The following is a cost summary for the Phase I of the construction project, which is comprised of estimated construction value, consulting services and various related project costs.

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| Yard Building Construction: | \$10,989,524 |
| Central Stores relocation onsite | \$ 130,000 |
| Site Servicing costs | \$ 830,000 |
| Permits, Fees, City costs | \$ 830,000 |
| Demolition/Hazmat abatement | \$ 630,000 |
| Subtotal: | \$13,409,524 |
| GST @ 5% | \$ 670,476 |
| Contingency/Escalation allowance | \$ 1,120,000 |
| Total: | \$15,200,000 |

This expenditure will allow for construction of the Yard Building (Phase I) and allow for site servicing and Permit Fees for the entire project (Phase I and Phase II). Phase II will be the subject of a future report to the Financial Management Committee and Council.

6.0 CONCLUSION

The detailed design of the Yard Building is nearing completion, and will be tendered as a lump sum general contract. In order to prepare for the award of a construction contract for Phase I, this report seeks the necessary funding approval. On this basis, it is recommended that the Financial Management Committee recommend that Council approve the expenditure of Gaming funds in the amount of \$15,200,000 (inclusive of GST of \$670,476) for the construction of Phase I of the Laurel Street Works Yard Redevelopment project.

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funds in the amount of \$15,200,000 (inclusive of GST of \$670,476) for the construction of Phase I of the Laurel Street Works Yard Redevelopment project.

Subject to receiving funding approval, staff will complete the tender documents and proceed to tender for Phase I in the coming months. The results of the tender process and the recommendation to award a general contract will be the subject of a future report to the Financial Management Committee and Council in early 2018. Phase I construction is expected to be complete in 2018.



Lou Pelletier, Chair, Major Civic Building Project
Coordination Committee



Leon Gous, Director Engineering



Noreen Kassam
Director Finance

JC:tv:jw
Attachment

cc: City Manager
Deputy City Manager
Chief Building Inspector
Purchasing Manager
City Solicitor
City Clerk

Laurel Street Works Yard Redevelopment - Concept Plan

