

TO: MAYOR & COUNCIL
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **CA – IPD ROWAN CHILDCARE DESIGN & CONSTRUCTION TEAM**
PURPOSE: To obtain Council approval to award Contract Awards (CA) for the selected IPD (Integrated Project Delivery) team for the design, procurement and construction of the Rowan Childcare facility located at 4248 Rowan Avenue and 6250 Deer Lake Avenue and seek approval for the City surveyor work.

RECOMMENDATION

THAT contract awards to the IPD team for an estimated total cost of \$22,680,000 including GST in the amount of \$1,080,000, as outlined in the June 5, 2023 Council Report titled “CA – IPD Team Rowan Childcare Design & Construction Team”, be approved;

THAT Council approve the identified optional opportunity items described in the report below in addition to the base budget in the amount of \$1,635,900 including GST in the amount of \$77,900;

THAT final payments to those parties of the IPD team will be milestone based on the achievement of the specific deliverables along the project timeline; and

THAT the City surveyor be authorized to prepare any survey plans required to complete this development.

CHIEF ADMINISTRATIVE OFFICER’S COMMENTS

I concur with the recommendation of the Deputy Chief Administrative Officer and Chief Financial Officer.

1.0 POLICY SECTION

The City’s Procurement Policy requires that contracts for goods, services and construction with values over \$1 million be approved by Council following a competitive procurement process.

2.0 BACKGROUND

Three submissions to a Request for Proposals (RFP) were received by the closing time on November 20, 2022. The proposals were reviewed by staff and the City’s IPD consultant, ISL Engineering and Lands Services Ltd. The team listed below has been selected to proceed with the validation phase following a comprehensive evaluation and received the highest scoring evaluation:

- Contractor: Kinetic Construction Ltd.
- Architect: Johnston Davidson Architecture Inc.
- Structural: Read Jones Christoffersen Ltd.
- Mechanical Consultant: Stantec Consulting Ltd.
- Electrical & Civil Consultant: WSP
- Electrical Trade Partner: AltaPro Electric Ltd.
- Mechanical Trade Partner: Altac Mechanical Inc.

Staff have been working with the IPD team over the last few months to validate the scope, program, schedule, and budget of the project. It is our opinion that the project has been successfully validated and that the proposed budget provides good value to the City.

3.0 GENERAL INFORMATION

As part of the City’s Child Care Action Plan, the City identified a need to provide childcare services to its employees (Staff and RCMP) and community to help remove childcare barriers to employment. The selected site is adjacent to Deer Lake Park across Deer Lake Avenue from the City Hall and RCMP buildings. An Operator was brought on board prior to project start and has been consulted during the validation phase.

The planned facility will be two stories, approximately 14,500 square feet, and will accommodate 74 childcare spaces, which include two infant toddler (0-36 months) and two preschool (3-5 years) programs. The building will be a steel structure, with fully electric systems, and will meet or exceed BCBC Step Code 3 requirements as per the City’s Climate Action Plan to be net zero ready.

The facility is expected to be complete in October 2024 to turnover to the Operator who will then apply for licensing. Depending on licensing timelines, the facility should be operational by January 2025. The schedule takes into account two months of possible permitting delays.

The base capital budget includes demolition/abatement of existing houses on site, design costs, insurance, construction, and all furniture, fixtures, and equipment. The budget also includes a risk allowance of current unknowns with allocated contingency amounts to manage those risks throughout the project. Such risks include but are not limited to permitting delays, BC Hydro coordination, price escalation (materials and labour), and unknown soil conditions among others.

In addition to the base capital budget, the team has identified value added optional opportunities which could be included in the project but which are not part of the project requirements. The project team recommends to include the following top three items to project scope:

- Roof Solar Photovoltaic Panels (\$450,000) – The current base budget targets to meet or exceed BCBC Step Code 3 and would provide a net zero ready building with a roof which could house photovoltaic panels in the future but they are not a project requirement. Should we wish to install them as part of this scope, it would be an additional cost to the project.
- Future Hot Meal Plan Provision (\$642,000) – The provision of a future hot meal program was identified as an additional opportunity at project start. This service is currently provided by multi-center operators in the lower mainland and is recognized for the support it provides families. The base budget includes a space that will be roughed in for future implementation of appliances, finishes, and equipment. The additional opportunity includes the installation of a commercial like kitchen equipped to provide hot meals as part of this project. Should the City opt not to proceed and do this work in the future, it would disrupt facility operations at that time.
- Additional Playgrounds (\$466,000) – Current childcare best practice guidelines recommend each program have direct access to its own playground, but a shared playground per two programs is acceptable for licensing purposes and is included in the current request. The project has opted to share playgrounds amongst programs as a cost saving measure and the installation of the recommended four program playgrounds versus two program playgrounds would come at an additional cost.

The City will apply for provincial childcare funding to help offset capital project costs, which if granted, would provide at least \$40,000 per child for a total of \$2,960,000. The Province has recently approved higher amounts to reflect recent escalation costs. The exact amount will be confirmed post submission of the grant application. The General Manager Lands and Facilities concurs with this recommendation.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The Request for Proposal #258-10-22 (Attachment 1) was listed on the City's Bids & Tender website from November 1, 2022 to November 30, 2022. Upon closing, the City received a total of 3 proposal submissions.

5.0 FINANCIAL CONSIDERATIONS

Due to the change in size and scope of the project, the plan was originally insufficient to award this contract. Reallocation of \$16,500,000 will be made from Confederation Park Community Centre project to accommodate this contract award. Total funding for this capital work will be under WBS element BAX.0031 (\$23,158,000).

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – Proposal #258-10-22

REPORT CONTRIBUTORS

This report was prepared by Scott Lovas, Purchasing Specialist and reviewed by Sophan Lum, Assistant Manager, Purchasing – Capital.