

TO: MAYOR & COUNCIL
FROM: DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER
SUBJECT: **CA – INTEGRATED PROJECT DELIVERY (IPD) ROWAN CHILDCARE DESIGN AND CONSTRUCTION TEAM**
PURPOSE: To obtain Council approval to award Contract Awards (CA) for the selected IPD 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 \$10,185,000 including GST in the amount of \$485,000, as outlined in the September 25 Council Report titled “CA – IPD Team Rowan Childcare Design and Construction Team”, be approved;

THAT the identified optional opportunity items described in the report below in addition to the base budget in the amount of \$959,490 including GST in the amount of \$45,690 be approved;

THAT final payments to those parties of the IPD team will be milestones 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 \$1,000,000 be approved by Council following a competitive procurement process.

2.0 BACKGROUND

Three submissions to a Request for Proposal (RFP) by the closing time on November 20, 2022 were received. The proposals were reviewed by staff and the City’s IPD consultant, ISL Engineering and Lands Services Ltd. The recommendation for \$10,185,000 including GST in the amount of \$485,000, breakdown is as follows \$8.1 M in construction costs and \$1.6 in consulting services before GST.

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. The original design featured a 2-storey building that would accommodate the maximum number of children for two full programs totaling 74 kids: infant/toddler and preschool totaling 37 kids for each program. It also featured a split-level floor plan constructed of concrete and steel structure with a rooftop outdoor play area. It is our opinion that the project has been successfully validated and that the proposed budget provides good value to the City. The General Manager Lands and Facilities concurs with this recommendation.

Refer to Attachment 2 - Schematic Diagram - Site Plan and Elevation. For cost comparison, below is a spreadsheet showing the last four Childcare facilities we built:

Project Name	Bldg Area	Capacity	Year Tendered	Construction Cost	Cost w/ Current Escalation	\$/sf	\$/Child
ROWAN	7135	74	2023	\$8.1M	N/A	\$1,139	\$109,000
STRIDE	3014	37	2020	\$2.8M	\$3.8M	\$1,228	\$102,162
CAPITAL HILL	2067	25	2018	\$1.7M	\$2.4M	\$1,176	\$ 97,200
MONTECITO	2067	25	2018	\$1.7M	\$2.4M	\$1,176	\$ 97,200

The total construction costs of \$8.1M includes the additional scope outlined in the table below of \$723,000. The unit rate of \$1,139/sf includes the following extraordinary scopes of work not typically included in similar projects:

ADDITIONAL SCOPES FROM TYPICAL PROJECTS	
Demolition	\$223,000
Additional Excavation (steep and undulating topography)	\$ 57,000
Heron Nesting Management	\$ 15,000
Sustainability (fully electrical mechanical system plus rough in for solar panels)	\$ 55,000
Fair Wage Policy	\$373,000
TOTAL	\$ 723,000
COST/SF	\$ 101.33

A recent review of local childcare project funding found that a large project in North Cowichan was successful in acquiring a grant of over \$18 million for a 158-space childcare facility, representing about \$114,000 per child.

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 one story buildings, totaling 7,350 square feet (4,263 sq. ft and 3,087 sq. ft respectively), 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 light timber wood frame with flat trusses and an engineered wood beam roof system. The facility is expected to be complete in December 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 base budget includes the hazardous materials abatement and demolition of 2 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 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 including the following top two items to project scope:

- Roof Solar Photovoltaic Panels (\$447,800) – 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.
- 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. The project has opted to share playgrounds amongst programs as a cost saving measure and the installation of the recommended four program playgrounds would come at additional cost.

The City will apply for provincial childcare funding, which if granted, would provide at least \$40,000 per child for a total of \$2,960,000. In recent discussions with the Province, a higher amount in the range of \$114,000 per child to reflect recent escalation costs has been indicated. The exact amount will be confirmed post submission of the grant application.

4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The RFP#258-10-22 IPD Rowan Childcare Design and Construction Team (Attachment 1) was publicly advertised. Upon closing, the City received a total of three submissions.

5.0 FINANCIAL CONSIDERATIONS

The 2023 – 2027 Financial Plan includes an allocation of \$5,000,000 for Child Care Facilities – Deer Lake Area, funded from the Community Benefit Bonus Reserve. This budget was for construction costs only. Additional funding is required for design, overhead costs, permit fees, project soft costs, survey work, increased construction and incremental costs. As well, the scope of the project has increased from 50 childcare spaces to 74 childcare spaces. These changes have resulted in an approximate Capital Plan shortfall of \$6,600,000. A plan reallocation has been made to accommodate the approximate \$6,600,000 shortfall from the Burnaby Lake Aquatic & Arena Facility (\$3,300,000) and Willingdon Brentwood Community Centre (\$3,300,000) projects. These two projects are currently experiencing delays related to the design work. As a result, this capital work has been accommodated within the 2023 – 2027 Financial Plan under WBS element: BAX.0031 (\$10,613,800), funded from the Community Benefit Bonus Reserve This funding accommodates the base budget (\$9,700,000) and optional opportunity items (\$913,800).

Respectfully submitted,

Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

ATTACHMENTS

Attachment 1 – Bid Details

Attachment 2 – Schematic Diagrams

REPORT CONTRIBUTORS

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