



INFORMATION ONLY COUNCIL REPORT

To: Paul Gipps, CAO

Date: July 12, 2022

From: Mark Roberts, Special Project Manager

File No: City Hall

Subject: **West Kelowna City Hall/Library Project Update – July 2022**

As part of Council's Strategic Priorities, the City Hall Project meets the objectives set out in Council's *Invest in Infrastructure* and *Strengthen our Community* pillars.

PURPOSE

The purpose of this report is to update Council on the design and construction progress of the City Hall/Library Building, including highlighting schedule delays resulting from supply chain issues affecting the occupancy date.

BACKGROUND

Staffs last design and construction report to Council dated November 9, 2021 reflected the progress for the first two of 11 tender packages. Since that time, the City's Construction Management Firm, Bird Stuart Olsen, have advanced and awarded the remaining tender packages outlined on the next page. While the design management remains on schedule, the construction management scope is experiencing supply chain delays.

Since the start of 2022, global supply chain conditions have changed significantly resulting from the pandemic affecting major infrastructure projects locally and around the world. The City Hall/Library project is also subject to the effects of these material shortages and delays, labour shortages and other factors causing changes to the project schedule.

Supply chain impacts and a delay in occupancy may result in increased costs once the actual (final) expenditures are reconciled against the anticipated budget. However, despite these unprecedented challenges, some tender packages were awarded under budget as noted on the next page. At this time, the City's portion of the overall not-to-exceed cost of up to \$18M remains unchanged.

Once material delivery timeframes and supply chain issues for all tender package awards are better understood in the coming months, the Construction Management Team and the City have greater certainty around any potential budget adjustments and finalize the occupancy date. At that time, staff will bring a budget report forward that reflects the 2022 actual expenditures along with the forecast of remaining costs and a more refined

occupancy date. As it stands now, the occupancy of the City Hall/Library building is slated for spring 2023.

City staff and Council will remain in the existing temporary Mt. Boucherie Community Centre through spring 2023, and the Okanagan Regional Library (ORL) has extended their temporary lease at the existing Westbank location. Public consultation on the restoration of Mt. Boucherie Community Centre has also just concluded and staff are preparing a report to Council on the outcome and next steps in late August 2022.

Design Update

The design of the City Hall/Library building is completed that includes a mass timber frame with a predominantly glass exterior. The building will maximize natural light transmission into all work areas and have an efficient and easy to use flow for customers and visitors and deliver comfortable and sustainable functionality for employees and elected officials.

As part of the Construction Management process, the design and construction team worked with the City and the Okanagan Regional Library (ORL) to complete the tendering process, which consisted of preparing, releasing, reviewing and recommending eleven (11) different publicly competitive tender packages. Each of those tenders have now been awarded, and procurement of the materials has started.

In addition to tender packages 1 and 2 outlined in the November 9, 2021 report, all tenders have been awarded as outlined below:

- Tender Package 1: Enabling Work & Site Servicing – Awarded, below the estimated budget, construction ongoing.
- Tender Package 2: Concrete works, Building Underground Mechanical & Electrical Services, Building Earthwork & Precast Stair Concrete – Bird Stuart Olson currently reviewing the tender submissions, and working with sub-trades to identify further information.
- Tender Package 2A: Mass Timber – Awarded, below the estimated budget, material to be delivered to site in coming weeks.
- Tender Package 2B: Security Cameras – Awarded, equipment installed and monitoring ongoing.
- Tender Package 2C: Steel Plates – Awarded, below the estimated budget. Will be installed as schedule permits.
- Tender Package 2D: Elevators – Awarded, below the estimated budget, materials designed and ordered. Will be installed as schedule permits.
- Tender Package 3A: Mechanical & Electrical – Awarded, above the estimated budget, value engineering being completed, materials ordered, and some aspects of construction started.
- Tender Package 3B: Exterior Cladding – Awarded, below the estimated budget, value engineering being completed, materials ordered, and some aspects of construction started.
- Tender Package 3C: Aluminum & Glass – Awarded, below the estimated budget, value engineering being completed, materials ordered and manufactured.
- Tender Package 4: Interior Finishes - Awarded, below the estimated budget, value engineering being completed, construction to start once schedule permits.

- Tender Package 5: Landscape & Civil - Awarded, below the estimated budget, value engineering being completed, materials being reserved and will be installed/constructed once schedule permits.

Construction and Schedule Update

Construction is well under way with the following works being completed and/or ongoing:

- Bulk excavation and site grading
- Installation of civil utilities
- Fine excavation and preparation of subgrade of building footprint
- Installation of underground mechanical and electrical within the building footprint
- Preparation foundation forms and concrete pouring of all concrete walls on library level and the main floor
- Installation of radon rock and pouring of slab on grade
- Framing and pouring of suspended slab of Council Chambers, Committee Room, Main Lobby, and the shipping/receiving area on main floor
- Weatherproofing and backfilling of ground level foundations

Upcoming key milestones that will be worked on through summer include:

- Delivery and standing up of the mass timber structure and CLT panels
- Continued framing and pouring of the 2nd and 3rd floor concrete structures in the building
- Excavation and forming of onsite retaining walls

In 2021, the City applied to the Mass Timber Demonstration Program for grant funding. Unfortunately, the City was not successful in the 2021 round of applications and have been encouraged to pursue new mass timber grant funding opportunities when available in 2022.

At the start of the project, it was estimated that occupancy of the building could be in December 2022, prior to the impacts of global supply chain conditions that have changed significantly. Some challenges in upstream of the project have been identified from vendors/manufacturers/etc., including labour shortages and production line backups causing delays in material availability. The entire team has worked to address these schedule issues by developing creative solutions such as:

- including pre-ordering and warehousing materials rather than purchasing on demand
- working with vendors collaboratively so they meet their contractual obligations despite their labour and material challenges
- adjusting scheduled construction activities to accommodate sub-trade availability onsite
- sourcing local materials wherever possible

FINANCIAL IMPLICATIONS

Despite the unprecedented increases in the construction market observed over the last 12 months, the Construction Management Team and staff are working diligently with value engineering exercises to maintain the City's portion of the budget at up to \$18M. The approved borrowing of up to \$11M also remains unchanged. Further, with delayed occupancy of the building, delaying the start of the borrowing process results in continued growth of the reserve account.

The project team continue to assess the market conditions, material availability and compare them against the project budget. Several value engineering exercises have already been completed resulting in material and design changes that have resulted in major project savings.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
November 9, 2021	Information Only Report	N/A
June 22, 2021	<p>THAT Council authorize the issuance of a Development Variance Permit (DVP 21-16) for Lot 1 DL 5066 ODYD Plan KAP47408 (3731 Old Okanagan Highway) in general accordance with the attached permit to vary the following sections of Zoning Bylaw No. 0154:</p> <p>S.13.2.5.(d) to increase the maximum permitted height from 12.0 m to 18.65 m; S.13.2.5.(e).5 to reduce the minimum setback distances from land in the ALR from 15.0 m for the first and second stories, 18.0 m for the third story, and 21.0 m for the fourth storey to 0.0 m; S.3.21.1.(a), s.3.21.3.(a), and s.3.22 to eliminate the setback and buffer requirements for parcels abutting land in the ALR; and S.4.3.1.(a) to permit a portion of the required parking spaces to be located on Lot 2 DL 5066 ODYD Plan KAP47408 (3737 Old Okanagan Highway).</p>	C219/21
<u>CARRIED UNANIMOUSLY</u>		
June 8, 2021	Launch of City Hall/Library Building Preliminary Design Consultation June 2021	N/A
May 25, 2021	Information Only Report	N/A
April 9, 2021	Information Only Report	N/A

March 9, 2021	Information Only Report	N/A
February 9, 2021	THAT Council award the City Hall/Library Construction Management Services contract in the total amount of \$988,985 (excluding GST) to Bird Stuart Olson Construction Ltd. <u>CARRIED UNANIMOUSLY</u>	C078/21
January 26, 2021	THAT Council award the City Hall/Library Building Design Services contract in the total amount of \$953,120 (excluding GST) to Johnston Davidson Architecture. <u>CARRIED UNANIMOUSLY</u>	C066/21
October 6, 2020	THAT Council adopt the “City of West Kelowna City Hall Loan Authorization Bylaw No. 0272, 2020.” <u>CARRIED UNANIMOUSLY</u>	C246/20
February 11, 2020	THAT Council give first, second and third reading to “City of West Kelowna City Hall Loan Authorization Bylaw No. 0272, 2020”. <u>CARRIED UNANIMOUSLY</u>	C051/20

REVIEWED BY

Sandy Webster, Director of Corporate Initiatives

Warren Everton, Director of Finance/CFO

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

PowerPoint: Yes No