



## COUNCIL REPORT

To: Mayor and Council

Date: August 27, 2024

From: Ron Bowles, CAO

Subject: **Operations Centre Project Update**

Report Prepared by: Allen Fillion, Director of Engineering & Operations

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### **PURPOSE**

To provide Council with an update on the Operations Centre Project.

### **RECOMMENDATION**

**THAT** the report titled “Operations Centre Project Update” from the Director of Engineering & Operations, dated August 27, 2024 be received for information.

### **STRATEGIC AREA(S) OF FOCUS**

**Invest in Infrastructure** – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

**Foster Safety and Well-Being** – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

### **BACKGROUND**

The construction of the City of West Kelowna’s first purpose-built Operations Centre for our Public Works, Parks and Utilities team is a Strategic Priority for Council. The site will serve as the work base for over 80 staff who are responsible for maintaining and operating critical City infrastructure, 24 hours per day, 7 days per week. Currently, these work groups are spread out across various locations throughout the City which is operationally inefficient.

Construction of the new facility began earlier this year. The following project update is for the reporting period ending July 31, 2024.

## **PROJECT STATUS UPDATE**

Edge Vancouver Construction Group was awarded the design-build for the Operations Centre and mobilized to site in April. Edge has made timely progress to date and the project remains on schedule to be completed late in 2024.

There are three main structures associated with this phase of the Operations Centre: the Administration Building, the Workshops, and the Mechanics Shop.

The Administration Building is fully erected with finishing work happening on the exterior and the interior walls being framed and drywalled.

The Workshops have been fully erected and exterior finishing is also underway.

The Mechanics Shop is nearing completion of the steel erection.

Civil/Site works are being completed under a separate contract. The works have been awarded to First Tracks Contracting Ltd. who will be mobilizing to site in late August with completion expected for late fall.

Colliers Project Leaders have been engaged as Project Manager representing the City.

Urban Systems Ltd. is the design engineer and contract administrator for the Civil/Site works contract.

## **RISK ASSESSMENT**

As of the end of July, the largest risk continues to be budget. Key risk changes include the addition of EV charging stations, power provision to the lower yard, provision for backup generator power, additional electrical requirements, and fencing to encompass the entire facility. To help mitigate the risk the city team has postponed the separated scope for the vehicle shed pending the outcome of construction costs on the three main buildings.

## FINANCIAL IMPLICATIONS

Council approved the project budget and funding strategy earlier this year:

### Project Costs:

Admin Building	\$ 2,300,000
Workshops	2,000,000
Mechanics Shop	1,900,000
Storage Shed	515,000
Civil Works	1,650,000
Owners Costs	230,000
IT Equipment	230,000
Consultants & Earthworks	<u>980,000</u>
<b>Total Project Cost</b>	<b>\$ 9,805,000</b>

### Approved Budget:

Sale of 2570 Bartley Road	\$ 3,700,000
Sale of Webber Road	250,000
Gas Tax Funds	500,000
Gravel sales	350,000
Operations yard reserve	192,000
Operating surplus	83,000
Equipment Reserve	230,000
Roads reserve	600,000
Growing Communities Fund	<u>3,900,000</u>
<b>Total Approved Budget</b>	<b>\$ 9,805,000</b>

The project budget has been deemed as a medium risk for this reporting period however it will have to be managed very closely. Many items that were de-scoped to achieve an approved budget are challenging to operate without. The project team has taken the approach where possible to accommodate provisions now to allow for cost effective upgrades in the future. As an example, install the conduit necessary now to allow for a future generator purchase.

## COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
Feb. 13/24	<b>THAT</b> Council approve the Operations Yard Project Budget of \$9,805,000 and related Funding Strategy as outlined in Attachment 7 in the report titled “Funding Strategies – Major Projects – Follow Up” from the Deputy CAO, dated February 13, 2024	C063/24

### REVIEWED BY

Trevor Seibel, Deputy CAO

### APPROVED FOR THE AGENDA BY

Trevor Seibel, Deputy CAO

Powerpoint: Yes  No

### Attachments:

Attachment 1 – Site Pictures