



COUNCIL REPORT

To: Mayor and Council

Date: April 22, 2025

From: Ron Bowles, Chief Administrative Officer

File No: 0890-03

Subject: **Fire Hall 32 Replacement – Project Update No. 4**

Report Prepared by: Jason Brolund, Fire Chief & Erin Goodwin, Facilities Manager

Report Reviewed by: Warren Everton, Director of Finance/Chief Financial Officer

PURPOSE

To provide Council with an update on the Fire Hall #32 Replacement Project.

RECOMMENDATION:

THAT the report titled “Fire Hall #32 Replacement – Project Update No. 4” dated April 22, 2025, from the Fire Chief and Facilities Manager 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 purpose of this report is to provide Council with a progress update related to the Fire Hall 32 Replacement project for the quarterly period ending March 31, 2025.

This project consists of a three-level 17,000 square foot building with dedicated space for both a fire hall and community centre. Site improvements include additional community space upgrades to the parking lot, playground, pickleball courts, sport court, public plaza, pathways, and accessibility.

As noted in the update provided at the May 14, 2024 Regular Council Meeting, the Owner's Statement of Requirements (OSR) document was completed under a CCDC14 Design Build Fixed price contract. The detailed history on the procurement process for this project was outlined in the November 28, 2023 report to Council.

The scope of the project reflects project affordability based on previous stakeholder and community consultations (e.g. Parks and Trails Master Plan development, Council's Strategic Priorities and Budget consultations, Fire Hall #32 Replacement Project meetings open house information, our existing reserves, developer contributions, Parks development cost charges (DCC's), the Growing Communities Fund and long-term borrowing approved by the community through the Alternative Approval Process (AAP) that concluded in March 2024.

PROJECT STATUS UPDATE

With the departure of Deputy CAO Trevor Seibel, Fire Chief Jason Brolund and Facilities Manager Erin Goodwin will oversee completion of the project on behalf of the city.

During the last quarterly period, several key milestones were achieved, including but not limited to the following:

- Building roof structure was installed.
- Concrete flooring for all three levels, including apparatus bays was completed.
- Wall framing and electrical rough-in throughout the building are wrapping up.
- Drywalling in some areas starting.
- HVAC on mezzanine level installed.
- Earthworks for accessibility ramp has started.
- BC Hydro power pole has been relocated in preparation for underground work that needs to be completed in front of the fire hall. This underground work and pole relocation will eliminate the obstructions and safety concerns created by the existing power pole and overhead lines.
- Council tour of the facility was completed on February 24th.
- Tennis court access plan created for the 2025 season.

Colliers Project Leaders is working closely with the City team on this project. They have provided some visuals of the project during this reporting period (Attachment 1).

Schedule

The project schedule is deemed by Colliers to be low-risk. This is a slight change from the previous reporting period when it was deemed on-track. The contractor is projecting substantial completion on September 4, 2025. This represents an increase of 6 days from the previous update and is being closely monitored. This slight delay is not expected to result in a financial impact. The schedule may be at increasing risk due to unexpected cash allowance work and contractor-initiated change orders that require significant time and effort on the part of all parties.

Budget

The project budget is now deemed by Colliers to be low-moderate risk, slipping from low risk during the previous reporting period. In many cases, contingency funds have been applied to offset unexpected or increased costs. During the reporting period, the contractor provided several cash allowance estimates that were over budget and the team pushed back to obtain more favourable pricing. Nonetheless, many cash allowances have been exhausted and, in some cases, have been insufficient resulting in impacts to the project contingency and raising the risk level on the project budget.

Contingency funds are being closely monitored. The remaining project contingency has been reduced from \$300,000 to \$48,000 since Council was last updated on January 28, 2025. This represents the most up to date price projections and is mainly due to unforeseen costs to move BC Hydro power pole and overhead lines currently located in front of the fire hall. Additional costs to complete this work is upwards of \$200,000. Another unanticipated cost is related to new legislative requirements that mandate flushable toilets and hot water be in place for workers at job sites. These costs are anticipated to be an estimated \$25,000 or more. City has also been provided an updated appliance package that exceeds preliminary cash allowances. The impact is an additional \$28,000. These are just a few examples of issues being managed.

Cash allowances and estimates are trending over budget and several contractor-initiated change orders are still awaiting final pricing. Remaining cash allowances and the project contingency are being evaluated for cost savings and cost certainty in the final stages of the project. There are 19 small, medium and large cash allowances and change orders remaining to be fully priced and finalized. These will be carefully managed with a focus on maintaining the proposed budget. Any unforeseen changes to the budget will be reported back to Council.

RISK ASSESSMENT

Project risks are monitored through an ongoing Risk Log prepared in collaboration with the City and the project team. Many of the identified risks have now been closed out. Below are some of the outstanding risks still needing to be resolved.

<i>Risk</i>	<i>Description</i>	<i>Assessment</i>
BC Hydro Delays	Revised power design was only recently completed and pricing for civil works has been a lengthy process.	Significant change order(s) required to accomplish design. Coordination underway with BC Hydro and contractor for installation.

Cash Allowances	Cash allowances included in the Project Budget being converted to actual costs.	City team continuing to monitor these very closely to ensure invoices correlate to conversion of allowances. This is a moderate-low risk at this time.
Global Markets, Currency Exchange and Tariffs	Items not within the fixed-price component of the project (cash allowances and changes) may see increased costs.	City team continuing to monitor these very closely.

FINANCIAL IMPLICATIONS

Project Budget: \$14,314,900

Council Approved Funding Strategy	
Debt	8,000,000
Reserves	3,800,000
Developer contributions	150,000
Parks DCC	1,187,000
Growing Communities Fund	1,177,900
Total:	\$ 14,314,900

The project continues to be under budget, but the City's contingency has been reduced from \$300K to \$48K, since Council was last updated January 28, 2025. This will be carefully managed in the months ahead with a focus on maintaining the Council-approved budget. Any unforeseen budget changes will be reported to Council during future project updates.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
Nov. 28/23	<p>THAT Council direct Administration to complete an Alternative Approval Process (AAP), to gain elector assent, in 2024, for the Firehall 32 Project;</p> <p>AND THAT "City of West Kelowna Loan Authorization Bylaw No. 0313, 2023", a bylaw to</p>	C387/23

	authorize the borrowing of up to \$8,000,000 towards the construction of a new Fire Hall 32 building, be read a first, second and third time, by title only, on this 28 th of November 2023.	
Jan. 23/24	THAT the elector response form, as attached to the report titled “Alternative Approval Process Form – Fire Hall 32 Replacement Project” dated January 23, 2024 from the Legislative Services Manager/Corporate Officer, be approved; AND THAT Friday, March 15, 2024 at 4:00pm be set as the deadline for receipt of the elector response forms.	C048/24
Feb. 13/24	THAT the updated elector response form, “Alternative Approval Process Form – Fire Hall 32 Replacement Project” from the Legislative Services Manager/Corporate Officer, be approved; AND THAT Thursday, March 21, 2024 at 4:30 pm be set as the deadline for receipt of the elector response forms.	C065/24
Mar. 26/24	THAT the report titled “Sufficiency Report for the Fire #32 Replacement Project – Alternative Approval Process”, dated March 26, 2024 from the Legislative Services Manager/Corporate Officer and Deputy CAO/Deputy Corporate Officer, be received for information; AND THAT City of West Kelowna Loan Authorization Bylaw No. 0313, 2023 be adopted	C099/24
Apr. 23/24	THAT the report titled “Fire Hall #32 Replacement Project – Next Steps” from the Deputy CAO, dated April 23, 2024, be received for information.	C134/24
May 14/24	THAT the report titled “Fire Hall #32 Replacement Project – Update – May” from the Deputy CAO, dated May 14, 2024, be received for information.	C152/24
Aug 27/24	THAT the report titled “Fire Hall #32 Replacement Project – Project Update #1” from the Deputy CAO, dated August 27, 2024, be received for information	C221/24
Oct 22/24	THAT the report titled “Fire Hall #32 Replacement Project – Project Update #2” from the Deputy CAO, dated October 22, 2024, be received for information	C264/24

Jan 28/25

THAT the report titled “Fire Hall #32 Replacement C018/25 Project – Project Update #3” from the Deputy CAO, dated January 28, 2025, be received for information.

PowerPoint: Yes ☐ No ☒

Attachments:

Attachment 1 – Site Pictures