

# SALT SPRING ISLAND FIRE PROTECTION DISTRICT (SSIFPD)

## STAFF REPORT & RECOMMENDATION

DATE: February 22, 2023  
 SUBJECT: New Fire Hall Project Update  
 TO: New Fire Hall Project Steering Committee  
 FROM: Rodney Dieleman, CAO

**Issue:** The New Fire Hall Project Steering Committee has begun project work on the new fire hall. This update provides a summary of tasks completed and pending on February 20, 2023.

**Background:** The New fire Hall Project Steering Committee were instructed by the Board of Trustees, at the December 12, 2022 in-camera meeting, to award the Architectural contract and the Construction Manager contracts based on evaluated tender results. Johnson Davidson Architects and MKM Construction were select as the best proposals.

Prior to contracting, the Fire Chief, the Owners Representative (Mr. Hazenboom) and the CAO have met 5 times in January and February to complete the contracting documents and begin floor plan design.

**Discussion:**

**Contracting:** The CCDC5 contract with amended general conditions for Construction Management Services has been signed and sent for registration stickers and final execution.

The MKM Construction bid was 5% of construction costs plus \$11,500/month for site and project management. The final contract was negotiated to be 3.5% of construction costs and \$11,500 month for direct project services. Additional general conditions were added to the contract to benefit the owner. (SSIFPD)

The Architectural Contract has been synchronized and interlaced with the Construction Management services and is now under final review for immediate execution. The proposed fee was \$399,200 or 4.99% of construction costs and \$323,600 for additional consultants such as structural, mechanical, electrical, security and energy modeling.

**Table 1: Original Budget vs Tendered Services**

	Original Budget		Tendered	
	Rate	Fees	Rate	Fees
<b>Construction Cost:</b>		<b>\$9,500,000</b>		<b>\$ 8,400,000</b>
<b>Projec Duration</b>	<b>November 2026 (3.7 years, 45.7 months)</b>		<b>August 2025 (2.5 years, 30.5 months)</b>	
Project Managers Fees:	6.9%	\$660,000	2.68%	\$ 225,000.00
Architect Fees:	8.0%	\$775,000	4.99%	\$ 419,160.00
Construction Manager Fees :	7.0%	\$675,000	3.50%	\$ 294,000.00
Construction Manager Services:	20 months		\$ 11,500.00	\$ 230,000.00
Other Consultants – Surveyor, Engineers for Geotechnical, Electrical, Structural and others:	4.1%	\$390,000	3.9%	\$ 323,600.00

The original project timeline was conservative at 3.7 years from start to finish. (November 2026). The project, with proper motivation, has the potential to be complete in 2.5 years barring unforeseen conditions. (March 2025 occupancy, plus site parking and landscaping)

**Table 2: Estimate Project Duration**

Project Timeline (estimated)		
December 2022 to March 2023	4	initial design started, contracts signed.
April to July 2023	4	final construction drawings and 90% estimated pricing.
August to October 2023	3	building and site permits
November to December 2023	2	tendering for construction trades
January 2024 to February 2025	13	construction
March to April 2025	2	commissioning
June 2025 to August 2025	3	landscaping, parking
<b>Months</b>	<b>31</b>	

**Table 3: Original Project Budget vs Current Projections**

	Original Budget	No Contingency Construction less \$.5M	Variance from original budget	
<b>Construction:</b>				
Construction and Escalation	\$ 8,938,100	\$ 8,438,100	-\$ 500,000	Reduce Building Foot Print
<b>Other Project Costs:</b>				
Off Site Works:	\$ 500,000	\$ 500,000		
Third Party Utilities:	\$ 170,000	\$ 170,000		
PM, Architect, CM:	\$ 1,408,750	\$ 1,586,395	\$ 177,645	Savings on Tenders
Permits:	\$ 100,000	\$ 100,000		
Insurance:	\$ 100,000	\$ 100,000		
Contingency:	\$ 1,391,900		-\$ 1,391,900	Remove Project Contingency
Other Project Costs:	\$ 3,670,650	\$ 2,456,395		
Interim Financing @7.5%:	\$ 1,091,250	\$ 831,825	-\$ 259,425	Shortend borrowing period by 12 months
<b>Total Project Cost:</b>	<b>\$ 13,700,000</b>	<b>\$ 11,726,320</b>	<b>-\$ 1,973,680</b>	
<b>Financing:</b>				
CRD Community Works Grant:	\$ 1,000,000.00	\$ 1,000,000.00		
SSIFID Capital Reserve Funds: existing	\$ 3,000,000.00	\$ 1,500,000.00		
SSIFID Capital Reserve Funds: by 2025		\$ 1,000,000.00		<b>Target</b>
Capital Borrowing:	\$ 9,700,000.00	\$ 8,226,319.69		12,000 sqt and \$ 8,000,000.00 Target
<b>Payments:</b>				
20 Years:				
3%	\$ 651,992	\$ 516,855		
4%	\$ 713,743	\$ 565,806		
5%	\$ 778,353	\$ 617,025		
6%	\$ 845,690	\$ 670,405		
7%	\$ 915,611	\$ 725,834		
8%	\$ 987,966	\$ 783,192		
<b>Architect, CM:</b>				
Architect :	\$ 446,905.00	\$ 446,061.19		plus \$25,000 for travel, meetings and documents
Construction Manager:	\$ 653,905.00	\$ 525,333.50		plus \$11,500 per month for 20 months
Owners Representative:	\$ 225,000.00	\$ 225,000.00		1800 hours over 2 years
Other Consultants:	\$ 390,000.00	\$ 390,000.00		\$323,200 already awarded
PM, Architect, CM	\$ 1,715,810.00	\$ 1,586,394.69		
<b>Strategy</b>				
SSIFID Capital Reserve Funds: existing:	\$ 3,000,000.00	\$ 1,500,000.00		January to July 2023 for Consultant costs during Design
CRD Community Works Grant:	\$ 1,000,000.00	\$ 1,000,000.00		July to December 2023 for Site work, Permits, Sewer and water
Interim Borrowing Cost:	\$ 13,700,000	\$ 11,726,320		December 2023 to March 2025
Long Term Borrowing:	\$ 9,700,000.00	\$ 9,226,319.69		Long Term Borrowing is limited to \$9,700,000

The work has only begun but indications are that the project is still within the original projected timelines and within the financial limitations of the organization. (based on the estimated total project cost and the anticipated long term financing rates).

## **Risks**

The project has a formal risk register started which identifies project, financial and timeline risks which must be actively mitigated by the project team. Supply chain constrains, inflation of construction costs, and escalating financial borrowing rates are the primary project risks being addressed by the CAO and Consultants. Public awareness and stakeholder engagement activities are now underway. They include public communications on the project progression and the initialization of fund-raising efforts.

One particular risk is the sewer line extension. Mr. Hazenboom and Trustee Williams have sought support for an alternate sewer line route. If approved by the CRD, this would reduce installation costs of the sewer line substantially. This is a priority for the project team.

## **Communications:**

Preliminary communications on the project status can be made to the Board of Trustees. Public statements regarding the project should be carefully considered and vetted prior to publication. The Project Steering Committee will approve all public communications regarding this project. The Project Steering Committee will work closely with the Communications and Marketing Committee to construct and review any public statements regarding this project.

## **Recommendation:**

- It is recommended that the Project Steering Committee accept this report is preliminary project information.
- It is recommended that the Project Steering Committee update the Board of Trustees on the project status at the next regular meeting of the Board of Trustees.
- It is recommended that the Project Steering Committee, in conjunction with the Communications and Marketing Committee, prepare and approve public communications regarding the new fire hall project.