



Committee of the Whole Report

For the Meeting of December 7, 2017

To: Committee of the Whole **Date:** November 27, 2017
From: Thomas Soulliere, Director of Parks, Recreation and Facilities
Subject: Project Update: Crystal Pool and Wellness Centre Replacement Project

RECOMMENDATION

That Council receive the following progress update on the Crystal Pool and Wellness Centre Replacement Project.

EXECUTIVE SUMMARY

The project team is committed to providing regular updates to Council on the project status, including schedule, scope, budget, and risk management. This report focuses on activities and overall progress, since the last update to Council in late June.

The project timeline below illustrates at-a-glance the current schedule and anticipated future phases, pending funding confirmation. The project remains in the “pre-construction” phase, highlighted below in red, which will continue until the third quarter of 2018.



Significant milestones have been achieved in the past few months, with the procurement and award of both project management services and design (architectural and engineering) services. The team has also progressed on a number of other aspects of the project.

On the communications and engagement front, the team has maintained a focus on keeping citizens informed on the project progress, through presentations to community groups, as well as interactions via social media, and information in the City newsletter. Over the last quarter City

staff further researched potential funding opportunities, and engaged directly with representatives of the Federal and Provincial Government on upcoming grant programs.

Staff have also maintained continuous budget monitoring, updating, and tracking of the project finances. With market conditions and cost escalation identified as a key project risk, efforts continue to ensure accurate projection of costs within the budget. A planned peer review of the project budget is also expected to be completed in the coming month.

The project progress has been structured to be monitored via a risk register utilizing an industry-standard, ongoing risk management approach over the life of the project. The risk register has been re-evaluated by staff and the new Project Manager, to confirm the identified risks remain a top priority. The project's risk management committee has been confirmed and an introduction to the project was completed in late November.

Immediate next steps for the project team include stakeholder engagement, design development, procurement of the construction manager, and pre-construction site work. In addition, staff will continue to explore funding opportunities and prepare for relevant grant opportunities.

PURPOSE

The purpose of this report is to provide Council with an update on the progress of the Crystal Pool and Wellness Centre Replacement Project, including project schedule, scope, budget, risk management, and planned activities for the upcoming quarter.

BACKGROUND

The Crystal Pool and Wellness Centre Replacement Project is a major infrastructure initiative to replace the current community aquatic and recreation facility. The new facility will be fully accessible and inclusive, meet environmental and operational standards, and serve the growing needs of citizens of all ages and abilities for generations to come.

The project team is committed to an open, transparent and accountable approach, and will continue to engage Council at regular intervals. To date, several key updates and/or decisions have taken place:

- February 16, 2017 - Council approved the replacement along with a budget of \$69.4 million, including \$10 million from the Buildings and Infrastructure Reserve.
- June 22, 2017 - Council received a Project Update, with information on project planning, communications and engagement, funding opportunities and potential partnerships.
- August 10, 2017 – Council approved the risk management approach for the project.

The material in this report is a continuation of that commitment.

ISSUES & ANALYSIS

The overall project plan will be implemented over the course of approximately five years (2017-2021). This report focuses on the status of the following key components in the pre-construction phase of the project;

1. Project Status
2. Schedule and Scope
3. Budget




4. Communications and Engagement
5. Risk Management

A summary of significant actions, considerations and decisions relating to each of these is described in the following sections.

1. Project Status

A project dashboard has been developed to monitor and report on key performance indicators (KPIs) integral to the project's success. The dashboard highlights the current status of the associated KPI's and, over time, will track progress towards achievement of specific goals related to schedule, scope, and budget. At present the project team believes the risks to be well defined and stable, and the project is well positioned for success.

Dashboard Legend

Status	Definition
	No action required at this time. KPI is within project tolerance.
	Action required, an issue is having a negative effect on project performance and at risk of jeopardizing outcomes. KPI is within project tolerance. At the project team level, corrective action or implementation of a monitoring strategy is required to address deviation from plan.
	Corrective action required as project tolerances have been exceeded. Resolution, input and decision-making cannot be handled solely at the project team level.

Status	Overall Project Status	Schedule	Scope	Budget
Q4 2017 – Current Period				

2. Schedule and Scope

Actions this quarter included the continued development of facility design, as well as procurement of project management and design (architectural and engineering) services.

Facility Design Development

The project team developed the facility concept to the conceptual design milestone, including overall scope definition, conceptual renderings, and engineering specific schematic design reports. In September, this effort concluded with the issuance of the Crystal Pool Conceptual Design Refinement – Summary Design Brief, by HCMA. The conceptual images that have been shared with citizens resulted from this effort.

Project Management Services

In September, the City awarded the contract for Project Management Services to Turnbull Construction Project Managers Ltd (TCPM). TCPM has been offering professional project

management services for both public and private sector clients over the past two decades. Acting on behalf of the City, TCPM manages all aspects of the project, including the critical priorities relating to schedule, budget and scope.

Important to the Crystal Pool context, TCPM's portfolio includes multiple complex municipal projects, including two recent award-winning aquatic centres for the City of Surrey (Grandview Heights Aquatic Centre and Guildford Indoor Pool).

Design (Architectural and Engineering) Services

This month, the contract for Design Services for the project was awarded to HCMA Architecture + Design (HCMA). Over the past 40 years, HCMA has demonstrated cutting-edge environmental practice and leading recreation facility design that aligns with the key outcomes envisioned for the project; accessibility, inclusiveness, environmentally responsible design, and high quality community amenities. The HCMA consultant team has designed several of the latest and most innovative aquatic centres in the Lower Mainland including City of Surrey's Grandview Aquatic Centre and the City of Vancouver's Hillcrest Aquatic Centre.

3. Budget

Project Budget

The pre-construction phase of the project consists of investments associated with due-diligence, as well as design, project management, communications and engagement activities with the public and potential funding partners. Earlier this fall, TCPM completed an initial review of the budget, and plans for a peer review of the current budget assumptions are underway.

The project has incurred expenses to-date totaling \$470,000. In addition, a commitment for Project Management Services has been made for approximately \$1.3 million. It is important to note the City has structured the agreement with the Project Manager to include an exit provision if full project funding is not secured. This approach also applies to the service arrangement with the Design consultant.

Funding Partnerships and Opportunities

External funding is critical to the project and, in particular Federal and Provincial major infrastructure grant programs offer significant potential investment opportunities. Over the past several months, staff and the Mayor have continued to engage representatives of the Federal and Provincial governments on the potential criteria and timing of decisions relating to upcoming grant programs.

In July, the Federal Minister of Infrastructure and Communities confirmed a number of high-level details relating to infrastructure programs and the funding approach with the Province of B.C. More specifically, the City has learned of the program allocations for B.C. projects and priority outcomes that eligible projects must demonstrate, as well as the proposed cost-share model (see Attachment A).

Staff have also learned that representatives of the Federal and B.C. governments are currently negotiating the bi-lateral agreements, which will guide the grant application and evaluation process anticipated in mid-to-late 2018. A detailed timeline is not yet available, however, staff will continue to connect with government counterparts for updates in the coming weeks and months.

Council will recall the City submitted a grant application for funding (\$6 million) to Union of B.C. Municipalities for the Gas Tax Capital Projects program, earlier this year. Awards have not yet been announced, however, we understand that these decisions are expected in the first quarter of 2018.

The project team will continue to place a priority on research and preparations for upcoming grant applications.

4. Communications & Engagement

The communications and engagement program for this phase of the project is focused on keeping citizens informed on the project progress, as well as the anticipated outcomes and benefits for the community.

The project team has employed various techniques to engage citizens over the past few months. Staff interacted with more than 2,000 people at festivals, community events and coffee shops to discuss the project and proposed concept designs, as well as to gain intelligence on preferred methods of communication for residents. The City has maintained an active presence online, connecting with citizens through social media and the project webpage. The project team also engaged directly with the North Park Neighbourhood Association in a workshop regarding site planning considerations, and dialogued with the Hillside Quadra Community Association.

5. Risk Management

The project risk register has been reviewed by TCPM and the key risks as identified to Council in August remain accurate and stable. A summary of the key risks, impacts and responses, is included below.

Key Risks	Impact on: Scope / Schedule / Budget	Risk Response
Market Conditions, Competition, Labour Availability and Cost Escalation	Schedule / Budget	<ul style="list-style-type: none">- Independent Quantity Surveyor review/input- Development of a procurement strategy
Funding and Spending Requirements	Scope / Schedule / Budget	<ul style="list-style-type: none">- Active engagement with government representatives- Lead generation and preparedness for grant applications- Active tracking on current commitments and spend
Site Conditions	Schedule / Budget	<ul style="list-style-type: none">- Additional investigation and planning (soil, environmental)
Traffic, Parking and Community Impact	Scope / Budget	<ul style="list-style-type: none">- Incorporate study findings in design development

Building on the project's commitment to continual risk management and monitoring, the risk management committee has been created. The committee is comprised of senior City staff, consultants and expert advisors and project consultants, who will monitor and advise on the management of key risks throughout the life of the project.

Planned Activities Next Quarter

In the first quarter of 2018, the project team will begin another round of stakeholder engagement, as well as advance design development, construction manager procurement, and pre-construction site work. In addition, staff will be preparing material for the application of relevant grant opportunities. A summary of activities that are about to commence and anticipated completion dates are listed below.

Activity		Anticipated Completion Date
1.	Design development	Q3 2018
2.	Public engagement on facility designs	Q2 2018
3.	Procurement of Construction Manager	Q1 2018
4.	On-site investigations and mitigation strategy for anticipated risks/challenges	Q1 2018
5.	Investigation/application for relevant grants	Ongoing

CONCLUSIONS

The project team remains committed to the successful planning and delivery of the new public facility in accordance with scope, schedule and budget expectations. The Crystal Pool and Wellness Centre Replacement Project will result in an inclusive, accessible facility that contributes to community health and wellness for current and future generations.

Respectfully submitted,




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Parks, Recreation and Facilities



Thomas Soulliere
Director
Parks, Recreation and Facilities

Report accepted and recommended by the City Manager:


Date: Nov 29, 2017

List of Attachments:

Attachment A: Federal Infrastructure Funding Forecast: Reference Chart