



Corporate Report

Report from Operations, Commissioner

Date of Report: November 19, 2015 **Date of Meeting:** November 30, 2015

Report Number: CO-318-2015 **File:** 68.81.20

Subject: Lake Street Service Centre – Operations Facility Consolidation – and 2015 Capital Budget Amendment ~ Supplementary Report

Recommendation

That Council receive the supplementary report CO-318-2015 regarding Lake Street Service Centre – Operations Facility Consolidation; and

That Council endorse the consolidation of the Parks, Recreation and Culture Services department's field operations into the Lake Street Service Centre (LSSC); and

That Council amend the 2015 Capital Budget to include the amount of \$4,575,000 originally requested for the LSSC facility consolidation; and

That Council approve the use of remaining funds from projects No. P10-143 and P09-143 as partial funding for the LSSC consolidation project;

That approval be granted to engage the firm of Ausenco Engineering Canada Inc. for the design and construction administration services for the Renovations and Alterations to Lake Street Service Centre – Project Number P15-142 at a total estimated cost of \$274,500 excluding HST; and

Further, that the City Solicitor be directed to prepare the necessary by-law and agreement. FORTHWITH

Summary

This supplementary report provides responses to Council's referral to staff at its meeting of July 20, 2015, and supplementary information obtained from a current Geneva Street Facility (GSF) building condition assessment updating the initial staff report. This information is provided in support of Council's consideration of staff recommendations to consolidate operating facilities at the Lake Street Service Centre.

Background

At its meeting of July 20, 2015, Council referred report CO-213-2015 pending an opportunity for Council to tour the Lake Street Service Centre (LSSC) and the Geneva Street Facility (GSF). Further, staff were directed to confirm the operating budget impacts associated with recommended facility consolidation and any impacts to the Buchanan house related to the proposed relocation of the Parks, Recreation and Culture Services (PRCS) administration and seasonal program operations to this location.

Report

A tour of the LSSC and the GSF was conducted on November 9, 2015, wherein the general condition and use of each facility were observed, and issues, concerns and opportunities raised within the original report were highlighted by staff. Responses to the information requests directed by Council are provided as follows:

1. Operating Budget Impact:

Staff estimate no net operating budget impacts from the facility consolidation recommendation as the GSF space reduction cost savings would be offset by increased building maintenance and utilities costs from higher staff occupancy levels at the LSSC.

The Buchanan house space reassignment to PRCS and Environmental Services (ES) staff is not anticipated to pressure the facility operations budget as the levels of current and proposed use are comparable. The business case for the facility consolidation recommendation includes the eventual disposal of the GSF property for redevelopment and potential new property tax revenue following the redevelopment of the site forecasted at \$129,000 annually. The new property tax revenue forecast was calculated by Financial Management Services staff using a site redevelopment scenario provided by Planning and Building Services staff based on current zoning and is illustrated within Appendix 1.

This site is 1.57 hectares in size and zoned R3-Medium Density Residential which permits apartment buildings up to 20 metres in height. The permitted density range is 25-99 units per hectare which equates to 39-156 units. Since the site is in close walkable proximity to a commercial area, residential redevelopment is more compatible with the surrounding residential neighbourhood and would fulfill many of the land use planning objectives of the Garden City Plan in terms of progressing this area towards being a complete, walkable neighbourhood. Redevelopment would also address any environmental issues as well."

2. Buchanan House:

The proposed accommodation of Parks, Recreation & Culture Services and Environmental Services staff and seasonal horticulture program operations at the Buchanan House facility is considered to be in full compliance with the restrictive use covenant on property title (Appendix 2).

The proposed use of the Buchanan House for PRCS program office space is consistent with current occupancy demands and is considered a best long term fit for this facility. The seasonal accommodation of horticulture program operations in the barn, greenhouse and immediate grounds may require certain works and improvements depending on a detailed assessment and the level of use required to manage occupancy impacts on the LSSC (Table 1. *Recommendation Scenario ~ item f note *7*). Overall, the proposed uses will more fully optimize the return on investment in the Buchanan property and enhance risk management and reduce building security concerns.

Geneva Street Facility ~ Supplementary Information:

Staff have obtained a current building condition assessment of the GSF, updating the previous reports from 2002 and 2004 as referenced in report CO-213-2015 (Appendix 3). Key findings from the current condition assessment report provided by the firm of Read Jones Christoffersen Ltd. (October 2015) include:

- a) that current building occupancy exceeds its capacity by approximately 40% which negatively impacts operations, and
- b) that the overall building condition is rated as being as *fair* with various building elements and most systems requiring renewal in the near term at a total estimated cost of \$4,600,000 to prolong current use without addressing the over capacity issue as *and*
- c) that an *order of magnitude* budget for building demolition, the construction of a new facility and site works accommodating current use is \$11,400,000.

The project costs for Alternative 2 (Table 1) has increased significantly from the initial report on the basis of updated construction estimates per the RJC Ltd report and reaffirms the *capital cost avoidance* advantages of the recommendation.

Updated project timelines are as follows:

<u>Stage 1 ~ LSSC Consolidation Renovations</u>	<u>Completion Target</u>	
Project funding approval	December	2015
Project engineering consultant selection	December	2015
Project design and engineering process	July	2016
Tender process and contract award	September	2016
Renovation works	December	2017
<u>Stage 2 ~ Geneva Street Decommissioning</u>	<u>Completion Target</u>	
Project funding approval	May	2018
Buchanan property site works (Horticulture)	August	2018
GSF building demolition	November	2018
GSF site remediation	December	2018

Report TES-209-2015 addresses the selection process and engagement of a project consultant for the design and construction administration services for the LSSC and is included in this report (Appendix 4) as a referral the supplementary report.

Table 1. Operations Facilities ~ Financial Considerations & Sustainability Analysis <small>revised Nov 20th 2015</small>					
Component	Recommendation Consolidate GSF Operations into the LSSC through renovation	Alternative 1. Consolidate GSF & LSSC Operations at a new facility & location	Alternative 2. Separate Operations Facilities Constructing a new GSF Building		
2.1 Capital Costs (Budget Estimates)					
a). Land acquisition	\$ -	\$ 12,000,000 *1	\$ -		
b). Land disposal (surplus)	\$ (1,450,000) *2	\$ (4,225,000) *3	\$ -		
c). Building demolition & site remediation GSF	\$ 800,000 *4	\$ 800,000 *4	\$ 800,000 *4		
d). Building renovation & site improvements	\$ 5,625,000 *5	\$ -	\$ -		
e). Building rehabilitation LSSC	\$ 4,150,000 *6	\$ -	\$ 5,650,000 *6		
f). Building construction & site works	\$ 600,000 *7	\$ 24,000,000 *8	\$ 11,400,000 *9		
Sub Total Net Capital Costs	\$ 9,725,000	\$ 32,575,000	\$ 17,850,000		
2.2 Operating Budget Impacts					
a). Annual new property tax revenue (City)	\$ (129,000) *10	\$ (166,660) *11	\$ -		
b). 20 year new property tax revenue (City)	\$ (2,580,000)	\$ (3,333,200)	\$ -		
2.3 Sustainability Analysis					
i). Reduces indoor facility inventory (s.f.)	~13,080	-	-		
ii). Reduces facility operating costs	neutral	+	-		
iii). Improves facility asset utilization	+	+	neutral		
iv). Enhances program integration	+	+	neutral		
iv). Enhances program performance	+	+	neutral		
iv). Enhances customer service performance	+	+	neutral		
*1 estimated land purchase cost for a 20+ acre site to accommodate new consolidated operations facility					
*2 approximated revenue from the potential sale of the GSF site					
*3 approximated combined revenue from the sale of the LSSC (\$2,775,000) and the GSF site.					
*4 estimated costs to demolish the buildings at #320 Geneva Street and to complete site remediation works (Project Stage 2 Approval)					
*5 projected costs for LSSC renovations to accommodate GSF consolidation per Report CO-213-2015;					
*6 projected costs for LSSC rehabilitation works as outlined in Report CO-2013-2015 background section & includes \$1.5M LSSC FADS compliance items & washroom					
*7 projected costs for Buchanan House property site works (parking, yard facilities and outbuilding rehabilitation for seasonal horticultural program use) (Stage 2 Approval).					
*8 estimated costs to construct new consolidated operations facilities and related servicing / site works on a 20+ acre site					
*9 projected costs to reconstruct administrative & operational facilities at #320 Geneva Street based on 2015 RJC Ltd Consultants Building Condition Assessment Report (BCA)					
*10 estimated potential new annual property tax revenues related to the redevelopment of the GSF property (reference Appendix A) .					
*11 estimated potential new annual property tax revenues related to the redevelopment of the GSF and the LSSC (\$37,660) an industrial property .					

Financial Implications

The information contained within this report does not alter 2015 Capital Program LSSC Consolidation project costs related to recommendations provided within Report CO-213-2015. The total project stage 1 funding requirements of \$5,625,000 will be sourced as follows:

LSSC Consolidation Project Funding Summary	
2015 Capital Budget Project Funding	\$ 4,575,000
RCS GSF Washroom Replacement	\$ 170,000
RCS GSF Administration Building Renovations	\$ 880,000
Total	\$ 5,625,000

The City treasurer confirms that there are sufficient funds available projects in the identified project accounts. Funding requirements for Seymour Hannah Complex remedial works as dealt with in a companion report to the November 30th Council agenda will be brought forward in two phases within the 2016 and 2017 capital budget submissions.

Conclusion

The availability of a current GSF building condition assessment report confirm existing “over capacity” issues and provides updated costs for facility reconstruction (Alternative No. 2) which strengthen the business case for the recommended facility consolidation at the LSSC through space re-assignment and facility renovation. The recommendation provides a number of benefits summarized as follows:

Financial Sustainability

- Capital cost avoidance of \$8,125,000 by facility consolidation.
- New potential property tax revenues of \$129,000 through redevelopment

City Building

- Redevelopment of a high profile site compatibly with surrounding uses and optimizing the land use through the redevelopment of the site to a medium density residential development thereby enhancing the surrounding residential neighbourhood through viable and sensitive residential intensification.

Service Delivery

- Improved service delivery effectiveness through program integration
- Improved program efficiency through resource sharing (consolidation)

Asset Management

- Reduction of corporate facility space inventory by ~ 13,080 square feet.
- Optimization of LSCC and Buchanan House facility space
- Improved facility asset sustainability (LSSC renewal)
- GSF site environmental remediation achieving a record of site condition

Strategic Plan Alignment

- Enhancing Social & Environmental Sustainability objectives
(Appendix 2)

Prepared by:

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David Oakes

Director of Parks, Recreation and Culture Services

Submitted by:

Bryan Shynal, Commissioner of Operations

Approved by:

Dan Carnegie, Chief Administrative Officer

GSF Site Re-Development Schematic

LSSC & GSF Council Tour **GSF ~ Opportunities**

Capital Cost Avoidance

- Consolidate Operations
 - to LSSC & Buchanan House
 - Do not reconstruct buildings
- Asset Decommissioning
 - Demolish buildings and remove ancillary facilities
 - Undertake environmental remediation works
- Surplus Property Declaration

Financial Sustainability Enhancement

- Property Tax New Revenue Potential
 - \$120,000 – \$129,000 estimated range of potential property tax revenues attributable to the City through property redevelopment

Property Redevelopment



CITY OF ST. CATHARINES

Additional Property Identifier(s) and/or Other Information

COVENANT BY TRANSFEREE

AUTHORIZED by By-law No. 2002-274 of the City of St. Catharines;

WHEREAS title to the lands described in Box 5 is in the name of His Majesty King George the Fifth in Right of Canada;

AND WHEREAS Her Majesty the Queen in Right of Canada represented by the Minister of Public Works and Government Services is the Successor in title to His Majesty King George the Fifth in Right of Canada;

AND WHEREAS the Transferee covenants on behalf of itself and its successors and assigns not to use the lands described herein or permit the lands described herein to be used for any purpose other than:

- Community halls or recreation centers
- Cemeteries/mausoleums
- Golf courses or golf driving ranges
- Public or private parks
- Restaurants, pavilions, band shells, museums
- Uses associated with the operation of a canal
- Public open space
- Conservation of forest, land, soil, water and wildlife
- Outdoor recreation
- Indoor recreation
- Parking areas for permitted uses
- Buildings accessory to the above uses
- Yard space, upon which no buildings shall be erected, for a permitted use in an abutting area.

Hereinafter called "Park Purposes", at any time.

Provided that the Transferee may use or permit to be used all or any part of or parts of the said lands for a purpose or purposes other than Park Purposes but if such use shall occur within sixty-six (66) years of the date of registration of this Transfer, the Transferee shall forthwith, without setoff, pay to the Transferor for the said lands or that part or parts thereof so used at a rate equal to the rate per acre established either by the whole of the said lands having a value of One Million, Eight Hundred and Forty-five Dollars (\$1,845,000.00), or the then market value of the said lands as determined by an independent appraisal obtained by the Transferor, which ever amount is greater. Upon the payment of the amount due to the Transferor hereunder the said lands or such parts thereof so used shall be free of the Transferee's covenant and the Transferor shall deliver a release thereof.

Notwithstanding anything herein contained, the Transferee may permit a conveyance to effect a minor boundary adjustment or a transfer of service easement without making any payment to the Transferor as herein before provided.

Corporate Report

Report from Operations, Commissioner

Date of Report: July 9, 2015

Date of Meeting: July 20, 2015

Report Number: CO-213-2015

File: 68.81.20

Subject: Lake Street Service Centre – Operations Facility Consolidation

Recommendation

That Council endorse the consolidation of the Parks, Recreation & Culture Services department's field operations into the Lake Street Service Centre, and

That project funding requirements for renovations to the Lake Street Service Centre be included within the 2015 Capital Budget deliberations. FORTHWITH

Summary

On March 30, 2015, Council approved report TES-064-2015 which highlighted a proposed allocation of \$4,575,000 within the 2015 Capital Budget for upgrades to the Lake Street Service Centre (LSSC) to accommodate the consolidation of the Parks, Recreation & Culture (PRCS) field operations and associated administrative staff currently based at the 320 Geneva Street facility (GSF) and referenced this report.

The consolidation and subsequent integration of parks and horticulture operations into the LSSC will improve facility asset sustainability and enhance the performance of operating programs, services and activities through:

- Reduction in the facility asset inventory (~ 13,080 sf. related to the demolition of GSF buildings), and
- Improved facility asset condition and optimization of use through the renewal and rehabilitation of portions of the LSSC, and
- Reduction in the property asset inventory by enabling the future disposal of the property for redevelopment
- Integration of all program field operations and associated administrative activities to support improved program management, resource utilization and service value.

The initiative also advances financial sustainability objectives by avoiding significant capital replacement costs for GSF buildings to accommodate continued program use, and by enabling the future disposal of the property for redevelopment following the completion of the LSSC project in late 2016.

Background

Transportation & Environmental Services (TES) programs and services delivered through its operations, facilities, stores / inventory, fleet and environmental divisions and the PRCS forestry division are based at the LSSC operations facility (*Appendix 1*), while PRCS administration, Parks and Horticulture program field operations are based at the Geneva Street facility (GSF). Current space allocation and staff occupancy information for each of these city owned facilities is summarized within Table 1.

Table 1. LSSC and GSF ~ Existing Facility Space & Staff Occupancy Summary												
Facility	Site Area Acres	Building Space				Staff Parking Capacity	Current Staff Occupancy					
		Total	Admin.	Storage	Bays		Admin.		Field		Technical	
		~ S.F.	~ S.F.	~ S.F.	~ S.F.		Perm.	Temp.	Perm.	Temp.	Perm.	Temp.
Lake Street Service Centre (LSSC) <i>383 Lake Street</i>	12.4	113450	20700	21950	70800	153	29	1	96	13	20	2
Geneva Street Facility (GSF) <i>320 Geneva Street</i>	3.9	13077	6113	3175	3789	40	9	4	20	76	4	0
Sub Total	16.3	126527	26813	25125	74589	193	38	5	116	89	24	2

The LSSC was originally constructed in 1977 and subsequently improved through various initiatives undertaken since 2007 including:

- Salt storage facility replacement
- Truck wash bay construction
- Service bay construction
- Emergency generator system upgrades
- HVAC and Building Automation upgrades
- Security cameras and card access system installations
- Storm sewer trunk replacement (*under the parking lot & material storage areas*)

The LSSC buildings recieved an overall condition rating of catagory 2 in the staff facilities planning report (TES-FMS-379-2013).

Further LSSC capital rehabilitation works are planned (*apart from the proposed facility renovations to achieve the consolidation of the GSF field operations*) and include:

- Fire alarm system upgrade
- Fuel storage and delivery systems replacements
- Roof membrane replacements
- Yard lighting enhancements
- Building accessibility improvements to achieve standards compliance

Funding is contained within the capital program and forecast for these works in the aggregate amount of \$2,900,000 and implementation will occur independent of the proposed renovations to support the LSSC consolidation initiative.

The GSF (*Appendix 2*) was constructed in distinct phases with the first two taking place during the 1960's followed by the addition of garage bays in the 1980's. A building condition assessment report (*TSH Consultants, May 2002*) characterized the administration portion of the building as “*nearing the end of its useful life*” and recommended various works to maintain the asset, achieve OBC compliance and improve building performance; these works remain outstanding. A subsequent operations review report (*Stantec Consultants Sept 2004*) recommended demolition and reconstruction over renovation as a more feasible means of addressing the physical deficiencies and regulatory noncompliance issues given the nature of its construction.

Facilities planning report (TES-FMS-379-2013) did not consider the administration and garage portions of the facility separately and assigned an overall condition rating of Category 2.

Stantec reviewed TES and PRCS operations facility requirements and assessed the occupancy of both the LSSC and GSF as being at over capacity. Their report identified three alternative solutions and recommended the consolidation of TES and PRCS operations into a new facility on an unspecified 20+ acre site citing efficiencies and synergies that would improve the utilization of assets and resources, and ultimately enhance service delivery. The report also recommended that new administration offices be constructed at the GSF for PRCS. Neither of these recommendations has been acted upon, and while subsequent program efficiency initiatives have reduced staff occupancy levels at both facilities to manage facility over capacity issues, the Stantec recommendation to consolidate “like operations” at one location remains valid.

The Operations Commission was established in 2014 and mandated in part to integrate operations wherever possible to improve service delivery and program sustainability, and it views the proposed consolidation of operating facilities as a critical step towards that goal.

Report

In 2014, a staff team was assembled to confirm the feasibility of a consolidation of the parks and horticulture GSF operations into the LSSC and concluded that sufficient capacity could be created through building renovations and the following supporting actions:

- a. A reduction of the LSSC stores inventory space needs through business model and process improvements enabling the re-allocation and repurposing of surplus space; and
- b. The relocation of Environmental Services (ES) program staff from the LSSC basement to the Buchanan House facility situated at 360 Niagara Street and the re-purposing of their current space; and

- c. The re-location of PR&CS management, technical and administrative staff from the GSF to the Buchanan House (BH); and
- d. The re-location of “off-season” program vehicle and equipment storage and certain seasonal program operations as may be required from the LSSC site to suitable alternative locations to be established prior to Q4 2016);
- e. The implementation of LSSC optimization initiatives to reduce peak staff occupancy levels and enhance service through such means as extended operating schedules, and the integration and improvement of administration, planning, supervision and accountability systems and processes, etc.

Accordingly, a project timeline and scope of work has been developed as follows:

Scope of Work

- Elevator installation to achieve FADS compliance
- Washroom and locker room expansion and renovation
- Office work space integration for TES & PRCS supervisors and support staff
- Stores bay floor space reduction and expanded mezzanine space
- Basement office relocation and space repurposing for meeting / training uses
- Second floor space repurposing to offices and administration work space.

Timeline

<u>Stage</u>	<u>Completion Target</u>
Project Funding approval	July 2015
Project Engineering Consultants selection	July 2015
Project design and engineering process	September 2015
Tender process and contract award	February 2016
Renovation works	November 2016

The recommended approach involves the consolidation of PRCS field operations into the LSSC (*re-locating approximately 25 full time PRCS staff*) through the described building renovations and supporting actions. The recommendation supports the corporation's strategic objectives by reinforcing economic, environmental and social sustainability pillars as noted within the Conclusion section of the report.

One alternative considered involves the consolidation of operations at a new facility on a 20+ acre site, (*Stantec report recommendation*) and is further detailed as Alternative 1 in Table 2. This approach would most effectively achieve facility consolidation and support the improved sustainability of assets and program services; however, it is deemed as unaffordable and therefore has not been recommended.

Another alternative considered involves the demolition and reconstruction of the GSF to accommodate its current uses and is identified as Alternative 2 in Table 2. This approach maintains the status quo and was not recommended as it neither achieves facility consolidation nor supports program integration as such does not advance sustainability objectives.

Project cost estimates for the recommendation are provided within Table 2 along comparative information for the identified alternatives.

Table 2. Operations Facilities Strategy ~ Capital Costs & Sustainability Analysis						
Component	Recommendation		Alternative 1.		Alternative 2.	
	Consolidate Operations at the LSSC		Consolidate Operations on a new site		Status Quo Operations Rebuild & Improve GSF	
2.1 Capital Costs (Budget Estimates)						
a). Land acquisition	\$	-	\$	6,000,000 *1	\$	-
b). Land disposal (surplus)	\$	(1,250,000) *2	\$	(3,750,000) *3	\$	-
c). Building demolition & site remediation	\$	1,000,000 *4	\$	1,000,000 *4	\$	1,000,000 *4
d). Building renovation & site improvements	\$	5,625,000 *5	\$	-	\$	-
e). Building rehabilitation LSSC	\$	4,150,000 *6	\$	-	\$	4,150,000
f). Building construction & site works	\$	200,000 *7	\$	24,000,000 *8	\$	7,050,000 *9
Sub Total Capital Costs	\$	9,725,000	\$	27,250,000	\$	12,200,000
2.2 Analysis Summary						
i). Reduces indoor facility inventory (s.f.)		~13,080		-		neutral
ii). Reduces facility operating costs		+		+		neutral
iii). Improves facility asset utilization		+		+		neutral
iv). Enhances program integration		+		+		neutral
iv). Enhances program performance		+		+		neutral
iv). Enhances customer service performance		+		+		neutral
*1 estimated land purchase cost for a 20+ acre site for a new consolidated operations facility						
*2 approximated revenue from the sale of the GSF site						
*3 approximated combined revenue from the sale of the LSSC as a "purpose built" facility and the GSF site.						
*4 estimated costs to demolish the buildings at the 320 Geneva Street facility and complete site remediation works (to be referred to 2017 Capital Budget)						
*5 projected costs for LSSC renovations and associated works for GSF field operations consolidation as detailed in Table 3.1 (referred to the 2015 Capital Budget)						
*6 projected costs for LSSC rehabilitation works as outlined in report background section (separate capital funding)						
*7 projected costs for BH site works and outbuilding rehabilitation to facilitate seasonal program use.						
*8 estimated costs to construct new consolidated operations facilities and related servicing and site works on a 20+ acre site						
*9 projected costs to reconstruct administrative and operational facilities at 320 Geneva Street based on 2002 TSH Consultants Report data (adjusted)						

Key success factors for the facility consolidation project include the provision of off-site staff parking to accommodate the transferring PRCS staff and the effective integration of program management and resources. Accordingly, the project plan includes the critical component of LSSC optimization initiatives (Table 3.1) to address both concerns by:

- Establishing a staff parking strategy which may include a combination of operating schedule changes and the provision of alternative off-site parking at the Bill Burgoyne Memorial arena during the summer season, and
- Updating management and administrative processes and systems (LSSC optimization initiatives) to ensure effective program integration and readiness for a planned replacement of the current computer software program supporting current operations.

Financial Implications

Project costs and funding sources are listed in Table #3.

Table 3. LSSC Renovation ~ Project Budget Summary		
3.1 Project Elements	Budget	Detail
a). Professional Consulting Services	\$ 325,000	Architectural & Engineering Design and project management
b). Alternate Office and Work Space Accomodations		
Temporary	\$ 75,000	On-site office accomodations for staff affected by renovations works
Permanent	\$ 150,000	Limited renovations to the BH to accommodate PR&CS and ES divisions
c). Renovation Works ~ LSSC		
Building	\$ 3,900,000	Elevator, office space, staff washrooms & service facilities, & meeting space
Site	\$ 50,000	Site access/egress and pedestrian traffic improvements
d). Fixtures, Furniture & Equipment	\$ 425,000	Includes life cycle replacements and new equipment to fit out renovated space
e). LSSC Optimization Initiatives	\$ 300,000	Program and systems improvements essential to long term viability of the project.
f). Project Contingency Allowance	\$ 400,000	5% allowance for unforeseeable issues arising through project implementation
Sub Total Capital Costs	\$ 5,625,000	
3.2 Project Funding Sources		
i). 2010 Capital Budget Item for GSF Rehabilitation works	\$ 150,000	re-allocated of previously approved funds for GSF building improvements
ii). 2011 Capital Budget Item for GSF Rehabilitation works	\$ 900,000	re-allocation of previously approved funds for GSF building improvements
iii). 2015 Capital Budget item for LSSC Renovation project	\$ 4,575,000	new project funding request from 2105 capital budget
Sub Total Project Funding	\$ 5,625,000	

Conclusion

The proposed consolidation and integration of regular parks and horticulture operations into the LSSC and termination of corporate use of the GSF will advance the economic, social and environmental sustainability pillar objectives within Council's strategic plan.

Economic sustainability objectives will be enhanced through;

- Net capital cost avoidance of either
 - \$ 2,475,000 by not proceeding with a life cycle replacement of GSF buildings (*Table 2.1 Alternative 2*) or;
 - \$ 18,775,000 by not proceeding with recommendations contained within the 2004 Stantec Report to consolidate both the LSSC and GSF facilities on a new site (*Table 2.1 Alternative 1*).
- Reduced facility asset inventory through the demolition of GSF buildings and decreased pressure on facility operating budgets.
- Optimized facility asset utilization through strategic space allocation and inventory rationalization.
- Strategic re-investments in the existing LSSC facility extending its service life and optimizing the return on this capital investment.

Social sustainability objectives will be enhanced through;

- Optimized service delivery through facility consolidation and program integration ensuring continued availability of municipal infrastructure and services that improve quality of life for residents and visitors
- Achieving LSSC accessibility compliance to regulatory and policy standards.

Environmental sustainability objectives will be enhanced through;

- Improved facility asset energy efficiency by the decommissioning of aged structures (*GSF administration portion of the building*);
- Strategic re-investments in existing facilities to improve energy efficiency and environmental protection (*i.e. fuel systems, lighting etc.*).

The optimization of service delivery through facility consolidation and program integration refers to various improvement opportunities generated by working together in the same space and through a collaborative approach that enables:

1. Resource sharing

- a. Increased staff availability supporting major events response
- b. Enhanced administrative support function through merged staff teams increasing back up capabilities and diversified skills sets
- c. Equipment and Technology sharing

2. Equipment rationalization

- a. Reducing units where feasible per the LSSC optimization plan

3. Business Process Standardization

- a. Streamlining and standardization where possible through the LSSC optimization plan

4. Collaborative program management and team work

- a. Team approach to work planning, implementation, supervision and continuous improvement

The LSSC renovations combined with the optimization initiatives and the planned program maintenance software replacement will create an environment that supports teamwork and efficient operations translating into lasting value in service provision.

The business case for the LSSC consolidation project is based on its alignment with economic, social, and environmental sustainability objectives and the range of associated benefits provided in the most affordable manner of all available options.

Prepared by:

Dan Dillon
Director of Transportation and Environmental Services

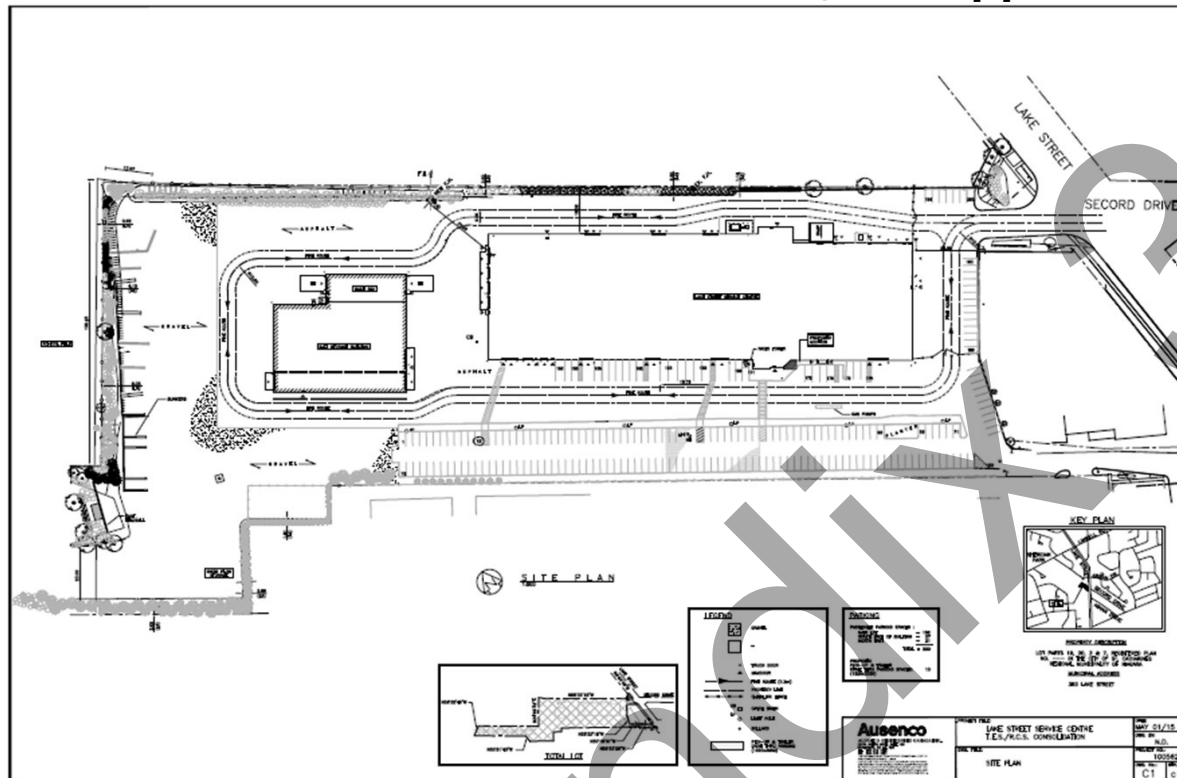
David Oakes
Director of Parks, Recreation and Culture Services

Submitted by:

Bryan Shynal
Commissioner of Operations

Approved by:

Dan Carnegie
Chief Administrative Officer



Lake Street Service Centre (~ 12.4 acres) located at 383 Lake St



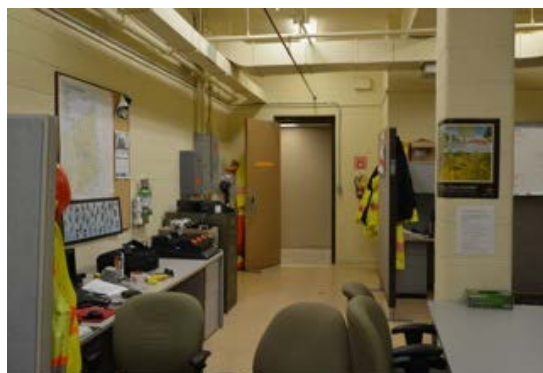
Building Main Entrance & Fueling Area



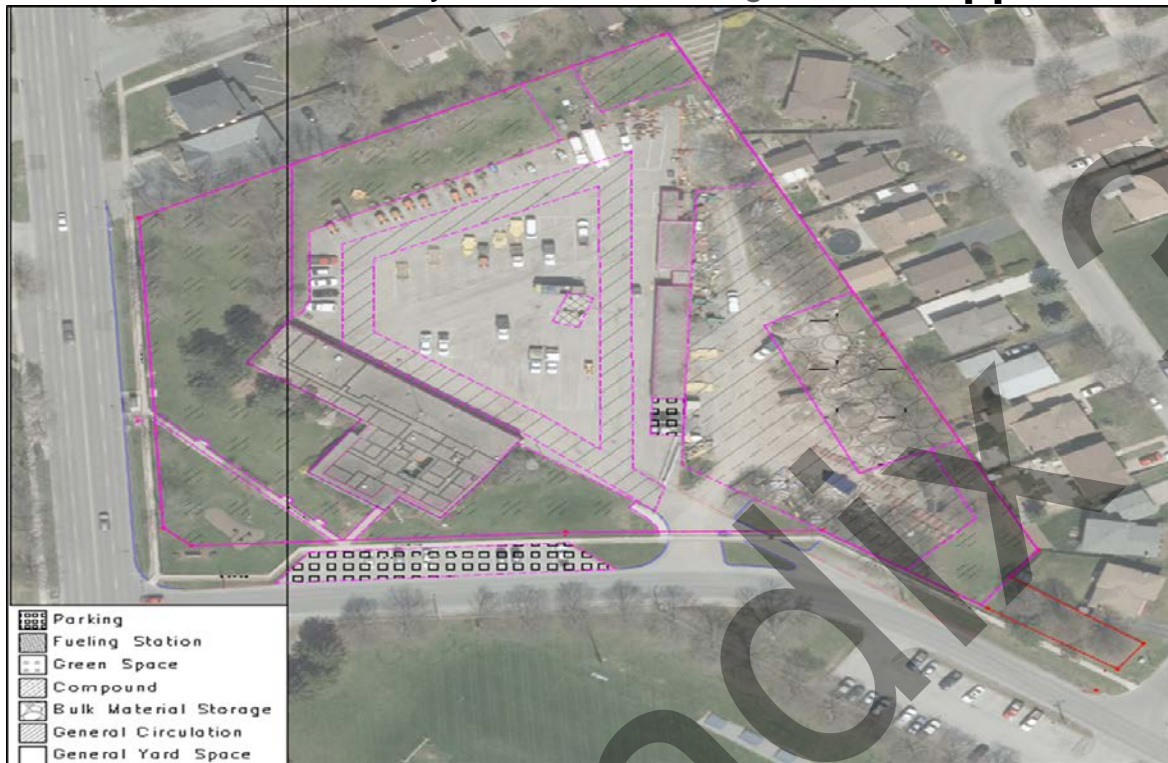
Foremans Offices in Garage Bay #1



Stores Bay



Basement Environmental Services Offices



PRCS Offices & Operations facility (~ 4 acres) at 360 Geneva St.



Main Building Entrance(Administration Offices)



Staff Washroom



Garage Bays / Staff assembly & lunch area



Staff lockers and change area

Corporate Report

Report from Transportation and Environmental Services, Engineering and Construction

Date of Report: July 2, 2015

Date of Meeting: July 20, 2015

Report Number: TES-209-2015

File: 18.20.202, 68.81.99

Subject: Project P15-142, Renovations and Alterations to Lake Street Service Centre – Award of Design and Construction Administration Services

Recommendation

That approval be granted to engage the firm of Ausenco Engineering Canada Inc. for the design and construction administration services for the Renovations and Alterations to Lake Street Service Centre – Project Number P15-142 at a total estimated cost of \$274,500 excluding HST; and

That the City Solicitor be directed to prepare the necessary by-law and agreement.
FORTHWITH

Background

Lake Street Service Centre (LSSC) was originally constructed in 1977 to house engineering operations for the City of St. Catharines. Subsequent improvements to the facility / site include the addition of a facility repair bay, a new salt storage and wash bay facility, culvert extension and yard expansion and the installation of an emergency generator. The original building is mainly original.

In order to accommodate the corporate initiative to consolidating the City's operations staff for Parks Recreation and Cultural Services (PRCS) and the Transportation and Environmental Services (TES) departments into one facility at LSSC, renovations and alterations will need to be undertaken to the facility / site. The work will be mainly concentrated to the administrative, forestry and stores portions of the facility and it will entail the demolition and redesign of the interior spaces. The proposed works will also address deficiencies that relate to accessibility, life safety, technology, security, energy conservation, etc.

Report

In accordance with the approved procedures for engaging architects for City projects, staff issued an Expression of Interest (EOI) in April of 2015, resulting in ten (10) submissions being received.

A selection committee, consisting of staff from the TES and PRCS departments, along with representation from the Purchasing Section of Financial Management Services (FMS) was established to review the submissions and future proposals. After reviewing all of the submissions, the selection committee shortlisted all ten (10) firms that submitted proposals for the design and contract administration for the Renovations and Alterations to LSSC.

The request for proposal (RFP) for design and construction administration outlined that the Renovations and Alterations to Lake Street Service Centre would include the interior demolition of the administrative staff portion, the stores portion and forestry portion of the facility and a redesign of these spaces that would allow for the incorporation of the PRCS operations staff with the TES operations staff. The new space is to be designed in a manner that will promote a healthy and productive environment, while addressing deficiencies at the facility that relate to accessibility, life safety, technology, security, energy conservations, etc.

The RFP was issued in May 2015, and a total of seven (7) proposals were received from interested firms. The selection committee conducted a preliminary screening and interviewed six of the proponents on June 15, 2015.

The selection committee reviewed the proposals submitted by each of the firms based on the following criteria with the objective of selecting the proposal that best demonstrates competence, qualifications and technical merits of the proposal at a fair price:

- Consistency with project overview
- Appropriateness of methodology and approach
- Experience of project manager (lead) and project team
- Technical Expertise (either in-house or through sub-consultants)
- Assessment of comparable facilities/projects
- Comprehensiveness of submission
- Value added elements
- Stakeholder engagement
- Proposed hours committed to the project
- Price
- Interview performance

After interviewing the firms and using the selection criteria set out in the RFP, it is the recommendation of the selection committee that the firm of Ausenco Engineering Canada Inc. be engaged to provide the design and construction administration services for the Renovations and Alterations to the Lake Street Service Centre at a total estimated cost of \$274,500 (including an estimated \$14,650 for disbursements) plus HST. Although this bid was not the lowest price submitted, it achieved the highest combined evaluation score utilizing the criteria listed above.

In addition to achieving the highest evaluation score, the Ausenco bid team demonstrated a very thorough understanding of the project, appropriate team composition with realistic hours of effort, the required experience and expertise supported by an extensive portfolio of similar successfully completed projects. Staff have worked with this firm in the past and have confidence in their ability to successfully complete the project.

The tentative schedule for this project is as follows:

Preliminary and Detailed Design: August 2015 – December 2015

Tender: January 2016 – February 2016

Construction: March 2016 – November 2016

Financial Implications

The 2015 capital budget submission for building improvements included an allocation of \$4,575,000 for the proposed renovations and alterations required to LSSC for the incorporation of PRCS operations. A separate report was presented to Council on July 20, 2015, detailing the proposed initiatives with regards to consolidation of PRCS and TES operations and associated works required to the LSSC.

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