
Subject: Environmental Centre Expansion

Report to: Public Works Committee

Report date: Tuesday, September 25, 2018

Recommendations

1. That report PW 37-2018 **BE RECEIVED** for information.

Key Facts

- Special Reference
 - Given Section 275 of the Municipal Act, 2001, and Regional Council's delegated authority to the Chief Administrative Officer (CAO) via report GM 8-2018, that the CAO consider and authorize:
 - That this report will incur expenditures or liability which exceeds \$50,000; and
 - That staff proceed with the approved financing in the amount of \$1,000,000 from the capital budget for the Replacement of the Centralized Maintenance Facility and that the projects **BE FUNDED** as follows:

| | |
|----------------------------|-----------|
| Water capital reserve | \$500,000 |
| Wastewater capital reserve | \$500,000 |
 - Should the CAO incur an expenditure or liability great than \$50,000, then the CAO will report to the new Council all actions taken pursuant to this decision
- The purpose of this report is to inform Council of the basis upon which the CAO is being requested to exercise his authority to approve the initiation of the remaining approved funding in the amount of \$1,000,000 from the Replacement of the Centralized Maintenance Facility (1ZCW1401 and 1ZSW1403) to fund the detailed design for the Expansion of the Environmental Centre (20000946).
- To date \$1,000,000 in funding has been initiated from the Replacement of the Centralized Maintenance Facility (1ZCW1401 and 1ZSW1403) with intended use for land acquisition and a high level conceptual design and has been partially committed to the design work for the expansion of the environmental centre project.

- Staff are looking for approval from Council for a budget adjustment to move the approved funding in the Replacement of the Centralized Maintenance Facility (1ZCW1401 and 1ZSW1403) of \$2,000,000 to the Construction, Energy and Facilities Management division and be carried out as a facilities project for the Expansion of the Environmental Centre (20000946) to align with the revised direction of the project.
- “Class D” construction cost estimates (with a tolerance of +/- 20-30% as per [Guide to Cost Predictability in Construction](https://www.cca-acc.com/wp-content/uploads/2016/07/GuideCostPredictability.pdf) (https://www.cca-acc.com/wp-content/uploads/2016/07/GuideCostPredictability.pdf)) have been estimated based on the conceptual design at \$17,000,000 and will be presented to Council for consideration as part of the 2019 Capital Budget.
- The existing Centralized Maintenance facility will be declared surplus, decommissioned and sold.

Financial Considerations

Projects 1ZCW1401 and 1ZSW1403 were previously approved by Council with \$1,000,000 each for a total of \$2,000,000 for land acquisition and design of a new Centralized Maintenance Facility. Of those amounts, a total of \$1,000,000 for the land acquisition was initiated by Council. The remaining \$1,000,000 requires initiation to proceed with detailed design.

Construction funds will be requested through the 2019 capital budget. A “Class D” construction cost estimate of \$17,000,000 has been completed based on the results of the conceptual design prepared by AECOM. Full construction costs inclusive of contingency and other internal costs are budgeted at \$20,000,000.

Analysis

Recently the Water & Wastewater (W-WW) Division was reorganized into four (4) sections; Water Operations & Maintenance, Wastewater Operations & Maintenance, Engineering and Integrated Systems. The reorganization relocated approximately 70 staff from the existing Central Maintenance Facility (980 Major Street, Welland) to their respective area water or wastewater facility. However, this resulted in Integrated Systems (IS) staff (42) being split between two locations, the Environmental Centre and the existing Central Maintenance Facility.

The existing Central Maintenance Facility, where the majority of IS staff currently reside, is an old vehicle sales and maintenance facility, which is located next to a heavy industry (forge) and is not suitable in size nor does it support a collaborative working environment for W-WW staff. The constant vibrations combined with the age of the structures have resulted in buildings that are deteriorating and posing health and safety

concerns for its occupants. The Region will continue to incur higher operational and maintenance costs each year the facility remains in service.

The reorganization and migration from a Central Maintenance model to a Hybrid model significantly reduced the number of W-WW staff the new Central Maintenance Facility had to accommodate, a requirement that had previously made an EC Expansion option impractical. The proposed expansion to the existing Environmental Centre (EC) includes evaluating the overall fit and function of the building as a whole; to consider layout optimization and increase operational/space efficiencies as a means to further promote our Corporate One Team culture. The layout will be optimized to include the four (4) W-WW Sections and Waste Management (WM) staff (41) from Campbell West and potentially the Niagara Region Material Recycling Facility (MRF); pending Council decision on 2017-RFP-25 MRF: Business Valuation, Strategic Option Evaluation and Market Analysis. Amalgamating W-WW and WM divisions together in one location will further promote improved communication and collaboration across Public Works.

The addition to the Environmental Centre, expected to be approximately 39,000 ft², will be constructed to include a service shop for skilled trade's personnel, parking for regional and staff vehicles and training facilities. Schematic design is currently underway with construction proposed to follow in 2019. The existing Central Maintenance Facility will be declared surplus and sold by Niagara Region.

The project will be designed to be compatible with both the "Brock" District Plan and the Regional Headquarters Campus Master Plan – International Plaza. To help ensure the design remains compatible and meets all business unit requirements an inter-department project working group has been assembled consisting of W-WW Services, WM Services, Planning and Development Services, and Construction, Energy and Facilities Management staff.

Given that the scope of the project has changed to expand an existing corporate building, and that the WM group will also be using the newly expanded facility, it is recommended by staff that the project and associated budgets be managed by the Construction, Energy and Facilities Management group. A budget adjustment is recommended in this report to move previously approved funding from the current projects to a newly created facilities project, construction costs will be funded through the levy and recovered in subsequent years by indirect allocations to the occupants of the facility.

Alternatives Reviewed

Prior to the reorganization of W-WW and the adoption of the new hybrid maintenance model, the new facility had to accommodate an additional 100 maintainers and support staff which left limited options outside of a new stand-alone Central Maintenance Facility. Staff initially planned on building a new facility in a central location along the

406 corridor and included funds in the 2014 capital budget for land acquisition and design. Several sites were considered without any viable options being identified at the time.

Following the reorganization and the reallocation of approximately 70 staff back to their respective area W-WW facilities, these reduced requirements allowed staff to consider an Environmental Centre Expansion as a viable alternative. An Environmental Centre Expansion solution will allow staff to bridge the physical gap between the remaining Integrated Systems staff at the existing Central Maintenance Facility and the other W-WW sections they support at the Environment Centre. Having all staff in one location promotes synergies between groups, facilitates better communications and will reduce annual operational expenses (i.e. mileage). The expansion will provide much needed space requirements in the existing Environmental Centre and free up space in Campbell West with the relocation of WM staff, both of which are at or near capacity and will not accommodate any future growth in their current state.

Relationship to Council Strategic Priorities

Doing business differently/ organizational excellence - Housing all W-WW Integrated Systems and WM staff in one location; improves staff collaboration and team work across Public Works.

Other Pertinent Reports

PW 113-2013

Water and Wastewater: 2014 Budget, Rate Setting and Requisition Report

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