

DATE OF MEETING    APRIL 19, 2023

AUTHORED BY        BILL CORSAN, DIRECTOR, CORPORATE & BUSINESS  
DEVELOPMENT

**SUBJECT             580 FITZWILLIAM STREET BUILDING UPGRADE PROJECT**

## **OVERVIEW**

### **Purpose of Report**

To seek Council direction to amend the budget for the 580 Fitzwilliam Street Building Upgrade Project from \$750,000 to \$1,145,000 in the 2023-2027 Financial Plan.

### **Recommendation**

That the Finance and Audit Committee recommend that Council increase the budget for the 580 Fitzwilliam Street Building Upgrade project in 2023 from \$750,000 to \$1,145,000. The \$395,000 difference to be funded from the RCMP Contract Reserve.

## **BACKGROUND**

The current RCMP facility was constructed in the 1980's and falls short of meeting the operational and space needs of the detachment. At the 2022-MAY-30 In-Camera Council meeting, Council directed Staff to proceed with a two-stage process to address the long-term needs of the RCMP facility. Phase 1 provides interim relief for a five-year period, by addressing overcrowding of the existing detachment by relocating 22 staff to a nearby City-owned building at 580 Fitzwilliam Street (former City of Nanaimo, Fire Administration Building) and then completing renovations at 303 Prideaux Street.

While Phase 1 renovations are underway, the long-term redevelopment plan for the Detachment is being developed including the construction of a new detachment adjacent to the existing facility at 303 Prideaux Street.

The longer-term project's capital needs for this are expected to be in the range of \$80 - \$100 million. In the interim, Council authorized \$2.8 million to proceed with Phase 1 renovations and \$2 million for design. As part of the budgeting, an additional \$750,000 was ear marked for the renovations at 580 Fitzwilliam.

## **DISCUSSION**

Kasian Architecture was hired to complete the tender package for the renovations at 580 Fitzwilliam Street. The work includes security enhancements and renovations to the building to make it suitable for RCMP use.

The tender was issued on 2023-FEB-23, with a closing date of 2023-APR-11. Two responses were received from reputable firms.

Makon Projects Ltd.	\$993,154.05
CMF Construction LTD	\$918,746.85

The spread between the bidders is typical in a tender for this type of work and it shows that even though the prices are higher than the budget, the tender was competitive. Including a 20% contingency and other costs, an additional \$395,000 is required to complete the project.

### **FINANCIAL CONSIDERATIONS**

The project budget is proposed to be increased by \$395,000 from \$750,000 to \$1,145,000 funded from the RCMP Contract Reserve.

The revised projected 2023 closing balance for the RCMP Contract Reserve based on approval of the budget increase for this project is \$395,000

### **OPTIONS**

1. That the Finance and Audit Committee recommend that Council increase the budget for the 580 Fitzwilliam Street Building Upgrade project in 2023 from \$750,000 to \$1,145,000 funded by \$395,000 from the RCMP Contract Reserve.
  - The advantages of this option: The renovations at 580 Fitzwilliam Street will enable the RCMP to shift staff from the main detachment at 303 Prideaux Street. This will help relieve some of the space pressures the main detachment building is facing at this point in time and provide the City with a longer window of time to complete the design and construction of the new modern detachment.
  - The disadvantages of this option: Less funds will be available in the reserve to support other RCMP related projects. Overcrowding will continue to be a pressing issue in the main detachment and likely accelerate the need for the new detachment.
  - Financial Implications: The 2023 – 2027 Final Financial Plan will reflect the increase in the project budget.
2. That Council provide alternative direction. |

### **SUMMARY POINTS**

- 580 Fitzwilliam Street is a City owned building that is part of the Phase 1 RCMP Detachment Expansion Plan.
- The building requires security upgrades and renovations to support the RCMP staff that will shift to the property for a period of five years.
- The work for the renovations was tendered, with two responses received.
- An additional \$395,000 in funding is required to complete the project.

**ATTACHMENTS:**

Attachment A – Location Plan |

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