

## Rekindle Renovation Project: proposed changes



The purpose of this report is to provide an update on the Rekindle Renovation Project construction contract tendering results, and to seek agreement on changes to the project. Council – the governing body of Port Nelson – has reviewed and unanimously supports the approach that is outlined below.

In January 2016 the mandate for the Rekindle Project Management Team (PMT) included a requirement that:

*“In the event that significant scope, or the \$3.2M cost envelope are adversely impacted, Council will be provided with a remediation plan for approval.”*

This is the recommended remediation plan.

### **Recommendation**

The following motion will be made at the June 19, 2017 Congregational Meeting:

**“Moved that the Rekindle Renovation Project is authorized to enter into a design-build contract with a cost ceiling for the total project of \$3.7M (including HST).”**

### **Background**

The project history and intended improvements are summarized in Appendix A for those who are new to the congregation. The congregation approved the Rekindle Renovation Project with a cost ceiling of \$3.2M at a meeting on November 22, 2015.

### **Recent history and current status**

Since spring 2016 we have been working with our architect, Reinders and Rieder Ltd (RRL) refining the plan, and obtaining input from many focus groups. In the fall 2016, plans were submitted to city hall for zoning and site plan approval. There were significant delays. Two separate minor variances applications were required in February 2017 and March 2017, which severely challenged our initial hope of going to tender in early spring 2017.

Regarding site plan and zoning approval, we are very close; conditions from the city and region have been met but do not have final approval yet.

On April 19th with PMT approval, five companies were invited by RRL to provide bids on our project following the specifications and the drawings which we had worked on. Two extensions were asked for and given since contractors were having difficulty obtaining estimates from some of the trades given that the industry is extremely busy right now.

### **Construction cost envelope**

Of the \$3.2 M allocated for the entire project, \$2.4M (plus HST) was allocated for the construction contract. The remainder was to cover costs related to the financial campaign, communications, transition costs, storage, paving, Audio Video equipment, kitchen equipment, permitting, and insurance.

### **Results of tendering**

Even with the requested bid extensions, two of the five contractors were unable to secure bids from all the needed trades and therefore did not submit bids. The remaining bids were opened on Wednesday May 17 and were substantially higher than anyone expected. The bid closest to our budget was \$1M (including HST) over the \$2.4M plus HST ceiling.

PMT met with RRL and discussed areas where we could achieve some cost savings and which areas were the biggest cost challenges. RRL had assessed the bids and discussed the project with some contractors to get their insights on

possible cost savings. These include demolition and hazardous substance abatement, structural steel, masonry, and doors/windows.

PMT proposed three options and sought input from the Rekindle Project Team leads, the Council Chair, and Senior Minister:

- option 1; congregation approves a budget increase of \$1M (including HST) and we will receive what the current plans show. Financing will have to be confirmed.
- option 2; congregation approves going for a design-build<sup>1</sup> option with our architect and the chosen contractor at an additional cost of \$500,000 (including HST); we would receive basically the plan with some adjustments to demolition, roof lines, structural steel work, masonry inside and out. Square footage would remain the same and all our tenets remain intact. There would be some re-arrangement of the room locations. Regarding the city, any changes to the plan can be managed with amendments to the zoning/site plan applications. Financing will have to be confirmed.
- option 3; proceed with a design-build contract with our architect and chosen contractor based on the currently approved budget of \$2.4 M (plus HST). A \$1M reduction from tendered costs will result in big changes. We will notice significant reductions in square footage. We will not get all of the originally planned features. We will need to go back to the city for a new site plan, zoning and building permits. Donor alignment will have to be confirmed.

In both options 2 & 3 we hand over some control to the architect and contractor to build within our established budget. PMT will advise the architect/contractor on areas which can and cannot be reduced/altered.

At a meeting on May 29, 2017 PMT and the Rekindle Team Leads recommended option 2. This option was unanimously endorsed by Council at a meeting on June 7, 2017. If option 2 is approved by the congregation, PMT will direct the architect

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<sup>1</sup> A Design-Build contract differs from Design-Bid-Build contract in that the design (or in our case the re-design) work is done as part of the contract and the design evolves just ahead of construction rather than being completed before construction starts. Cost of design is included in the contract cost. A good summary of D-B contracts can be found at <https://www.thebalance.com/when-to-use-design-build-contracts-844914>

to work with the contractor over the summer to develop altered plans and new specifications. We are confident that we will not start building before September.

### **Financing**

In a design-build contract, the architect design costs are included in the overall project cost envelope. There would be no additional architect costs for the re-design work. The fees paid to the city for the Site Permit and Building Permit applications would not need to be increased for option 2 (but would require re-submission for option 3). So other than the incremental \$500k, the original project cost structure is essentially unchanged. Other project costs remain largely unchanged.

The plan for financing the \$3.2M original scope was approved by the congregation on November 22, 2015. It includes further expected increases to pledges which typically happen as the “shovels go in the ground”. However, even without any recent specific focus on pledges, **recent new pledges have brought the total pledged amount to Rekindle to \$2.8M.** Multiple new pledges include an extraordinary pledge of \$500k that has recently been committed by an anonymous donor. The original financing plan includes soliciting grants, and using a \$1M line of credit authorized by the local Commercial Centre of TD Bank. Grant applications are in progress with \$20k received to date. The line of credit has been secured and with some minor amendments will be applicable to the amended project.

The project cost ceiling is increased by \$500k from the original \$3.2M to \$3.7M (including HST). With pledges received to date, the originally approved financial plan remains valid.

Respectfully submitted by the Project Management Team,

Stan Harvey, Pat O’Neill, June Wright

## Appendix A: History of the Renovation Project

### **The origin of the project**

The current renovation proposal had its origin in 2009 when, at the Annual Meeting of the Congregation, individuals asked questions about projected maintenance costs to address some longstanding and growing deficiencies with the building. These included chronic roof and foundation leaks, ageing electrical and heating systems, and mold growth in some areas. In response to these concerns, the Church Council (governing body) initiated a study by Byrne Engineering (2010). The high costs identified in the Byrne study resulted in several subsequent studies which also addressed building usage and church ministry needs including:

- ad hoc investigation committee (2010),
- a New Facility Investigation (cost to replace everything east of the sanctuary) using McCallum Sather Architects (2011) and
- a Renovated Facility Investigation Phases 1 and 2 (cost to re-use as much of the building east of the sanctuary as is economically feasible) using architects Reinders and Rieder Ltd. (2013)

It is obvious from the extent of the studies done over many years that if there was an easy and inexpensive answer, it would have already been found. What is left is not easy nor inexpensive.

### **What are the problems with the current building?**

In addition to the physical challenges noted above with water leakage, mold, and aging systems, multiple surveys of congregational and community users have resulted in a focus on the following needs:

- Accessibility: The current building has 5 levels. A ramp connects the parking lot level to the sanctuary level. A stair lift connects all 5 levels. The ramp and stair lift were state of the art when installed but are no longer compliant with current codes due to larger powered wheel chairs that are heavier and need more space to turn. The chair lift was the most complex ever built by the manufacturer and has been problematic for users due to complexity of operation and frequency of break downs. As well, there is a lack of accessible washrooms.
- Kitchen: there are two larger kitchens and two kitchenettes. Current standards such as the need for separation of clean food preparation and dirty dish clean up operations are not met. There is no provision for detection of grease fires or handling of grease fumes. Cooking with quantities of oil and grease has had to be prohibited to gain Fire Safety Plan approval. Kitchens are not optimally set up for traffic flow (e.g. proximity to where food is served with separate inbound and outbound doors). Clean up following weekly coffee hour after church involves carrying dirty dishes to the upper kitchen to the dishwasher. The lack of a kitchen on the same level as the weekly food voucher pick up area precludes offering, for example, a lunch due to mobility limitations of many users.
- Energy Efficiency: The 1953 structure is largely un-insulated. None of the current buildings has any forced air exchange. All fresh air comes from unheated air leakage through inefficient windows. Air conditioning is limited to offices. The heating system is a hot water system heated

by natural gas. The heating system is at end of useful life, and will require costly repair or replacement in the near future.

- Space flexibility: The church lacks sufficient space outside the Sanctuary for gathering. The space is often congested before and after services, weddings, concerts and funerals. The church maintains and heats far more space than it needs based on current and future needs. Some spaces are dedicated to unique purposes that could be shared by multiple groups. Some spaces such as the O'Brien room are in high demand and more similar multi-purpose space would be used if available.

## **What is the benefit of the proposed project?**

The project has the following main features:

- Demolition of the 1953 Hall. Multiple professional opinions concluded that money required to repair the building would not be well spent. Windows, doors, electrical system, heating system and the building envelope (cladding, insulation) are all at the end of their useful life. Furthermore, repairing the old building would not address fundamental issues with accessibility, kitchen functionality, and gathering space. The structure between the 1953 building and the Sanctuary is retained and repurposed.
- Replacement of the 1953 hall with a new Fellowship Hall. The new space would be adjacent to a new kitchen that would serve both meal preparation for the Fellowship Hall and coffee preparation for the vastly larger gathering space. The new Fellowship Hall will seat many more people than we can seat in the current 1953 Hall. The Fellowship Hall doubles as gathering space. Our architect advises that new churches have typically found they need a gathering space equivalent in area to the worship space. The proposed renovation meets this goal.
- Fully air conditioned spaces with fresh air exchange and zoned control. Air conditioned spaces will be attractive to summer worshipers and users who currently find the space unsuitable.
- Addresses the 3-year Mission Plan approved in 2012, which focused on the core value of "Being inclusive". In support of that value the goal was: "Every person is able to access every space in our building independently". All levels will be fully accessible and washrooms will meet accessibility requirements.
- Addresses most recent Vision Plan approved in January 2017, which focuses on expanding the GLEE Camp program, introducing an after school program, mid-week intergenerational activities, an event hosting service, and an additional "service" or alternate gathering opportunity.
- New two-way driveway (instead of current one-way lane off of South Dr.) and extra parking at East side of property.
- Flexible spaces that meet current and expected needs without large wasted spaces. These include a new beautiful library, and flexible meeting space with large windows.