

# STAFF REPORT TO COUNCIL

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | [www.princegeorge.ca](http://www.princegeorge.ca)

**DATE:** September 28, 2023

**TO:** MAYOR AND COUNCIL

**NAME AND TITLE:** Andy Beesley, Director of Civic Facilities & Events

**SUBJECT:** Budget Amendment – City Hall Transformer Replacement

**ATTACHMENT(S):** None

**RECOMMENDATION(S):**

That Council APPROVES a budget and scope amendment to Project # 3229– City Hall Transformer Replacement to allow a total cost of \$1,200,000, that includes the addition of \$890,000 funded from the Northern Capital and Planning Reserve, as described in the report dated September 28, 2023 from the Director of Civic Facilities & Events titled “Budget Amendment – City Hall Transformer Replacement”.

**PURPOSE:**

This report is to provide Council with information on the City Hall Transformer replacement project and to request the addition of \$890,000 in funding through a budget and scope amendment.

**BACKGROUND:**

The City Hall transformer is dating back to 1965 and is at end of life. As part of the 2016 Assessment Report, a contingency plan for the failure of power distribution equipment was proposed for all City facilities. During this time, it was identified by Technical Safety BC for full replacement as well. The potential for the 48+ year old transformer failing will have a detrimental impact to its 140+ employees, public programming and systems that service a variety of users.

Following the Civic Facilities Renewal Strategy in 2019, a budget was prepared for City Hall Transformer Replacement Project #3229 and received funding approval in 2020 at \$310,000. This project was based on replacing aging BC Hydro infrastructure only. In addition, the project was placed on hold due to COVID and limited resources to complete all projects.

With resources in place this year, the project’s budget and scope were reviewed prior to restarting the project. Three years past its’ approval has seen cost fluctuations and scope improvements necessary beyond BC Hydro infrastructure only including future upgrade requirements and alternate service routing to avoid conflict with existing City infrastructure. An electrical engineering consultant has been contracted and has worked closely with BC Hydro over the last 8 months to complete the necessary pre-work.

A revised construction design and budget that encompasses all upgrades to ensure long-term strategy and growth has been developed for construction. Replacement of the transformer under this

project will see the equipment transferred to BC Hydro ownership in addition to correcting the existing non-compliance with Technical Safety British Columbia. Once completed the new service feed will ensure reliable service to the City Hall building which is critical to many functions that the City of Prince George provides.

#### **STRATEGIC PRIORITIES:**

Replacing the City Hall transformer, corresponding site, event power and BC Hydro upgrades, aligns with Council priority to Grow the City by *creating and sharing a long-term vision roadmap...that reflect the integration of capital planning, asset management, infrastructure planning...and associated financial commitments.*

In addition, development within the Civic Core Plan uses and benefits from the updated layout, new Hydro routes, connections, and upgrades while also ensuring City Hall can continue to function and maintain its public service delivery.

The budget and scope review outlined in this report aligns with the Council approved direction set out in the [Organizational Capital Project Management Policy, 2021](#) where *the benefits of following this policy include better capital project scope, cost, schedule and quality certainty, improved stakeholder relations, enhanced reputation and trust, and helping the City achieve its vision and goals.*

#### **FINANCIAL CONSIDERATIONS:**

The additional budget necessary to replace the City Hall transformer as identified within this report is \$890,000, in addition to the original funding of \$310,000 approved in 2020 for a proposed total project cost of \$1,200,000. The proposed funding source for the additional \$890,000 is the Northern Capital and Planning Reserve fund.

#### **SUMMARY AND CONCLUSION:**

A council approved 2020 budget of \$310,000 was developed in 2019 to replace the end-of-life City Hall transformer, prior to Covid and as per the limited scope original layout. To meet requirements necessary for this critical infrastructure, the previously approved budget and scope is insufficient to meet those requirements and ensure continuous service delivery. To meet those requirements, Administration seeks Council approval to amend the existing financial plan for City Hall Transformer Replacement project #3229 to reflect the revised budget of \$1,200,000, an additional \$890,000 to be funded from the Northern Capital and Planning Reserve fund. In addition to the revised budget Administration would like to amend (*italics*) to the project description:

#### **#3229 City Hall Transformer Replacement**

Replace the existing City-owned transformer and switch gear with a new BC Hydro owned transformer and switch gear. *An alternate electrical service route and updated electrical components will facilitate new internal updates for future connections such as additional outdoor event power, electric vehicle charging and a backup generator connection.*

#### **RESPECTFULLY SUBMITTED:**

Andy Beesley, Director of Civic Facilities and Events

**PREPARED BY:** Tanja Puhmann, Engineering Technologist, Project Delivery

#### **APPROVED:**

Walter Babicz, City Manager

Meeting Date: [2023/10/16]