

STAFF REPORT TO COUNCIL

1100 Patricia Blvd. | Prince George, BC, Canada V2L 3V9 | www.princegeorge.ca

DATE: July 13, 2021

TO: MAYOR AND COUNCIL

NAME AND TITLE: Blake McIntosh, Acting Director Civic Operations

SUBJECT: **Downtown Pool Project Update – July 2021**

ATTACHMENT(S): None

RECOMMENDATION(S):

That Council RECEIVES FOR INFORMATION the report dated July 13, 2021 from the Acting Director of Civic Operations titled “Downtown Pool Replacement Project Update – July 2021”.

PURPOSE:

This report is to provide Council with an update on the Downtown Pool Replacement Project.

BACKGROUND:

In 2017, Council approved the Four Seasons Leisure Pool Replacement Project in the capital expenditure plan for a new location at 7th Avenue and Dominion Street downtown. Contracted design and construction services for the project were secured from the architectural firm HDR Inc. and Chandos Construction, who have extensive experience in pool projects.

The pool design was developed through an inclusive engagement process and a goal to create an energy efficient facility that is fully accessible for all ages, abilities, and needs. The new pool will be heated by the downtown renewable energy system and will feature amenities such as a teaching pool, lap pool, leisure pool with beach entry, lazy river, whirlpool, waterslide, toddler play toys, Ninja Gym and universal change rooms. Safety and accessibility have been addressed through improved lifeguard sight lines, shallow entries, and pool pods that will provide access for people of all ages with mobility challenges to enter the pools safely.

In the summer of 2020, the City was successfully awarded \$10 million in grant funding from the Investing in Canada Infrastructure Program to support the new pool project. Construction for the new pool also commenced in July 2021 with a target completion date of late summer 2022.

STATUS UPDATE:

Project Stage	State	Schedule % Complete	Schedule Health
Build	In Progress	44%	Needs Attention
Approved Project Budget	Actual Costs to Date	Project budget % Complete	Budget Health
\$36.25M	\$15.4M	42%	Projecting over budget

To date the construction project is currently 42% complete and \$15.4 million has been spent on the project. The project has achieved a milestone goal of completing the structural building frame and roofing.

In mid-December 2020, the primer-coated structural steel for the new pool was received in good order and subsequently stored under cover on-site. By early 2021, it was evident that the primer had started to fail and would need remediation. The primer coat is an essential measure to protect the structural steel against a caustic humid environment.

To lessen significant impacts to the project completion schedule, it was important to remediate the primer quickly and ensure quality while avoiding significant costs from potential delay claims. The project team strategized solutions for the issue. It was determined the best course of action would be to ship the structural steel off site to a controlled environment and remediate the primer in a local fabrication shop.

City administration undertook a detailed review of the structural steel primer deficiency and considered the City's cost recovery options. The documentation that has been gathered indicates the error is likely due to an inadequate structural steel primer specification. Initial projections indicated that the cost of primer remediation could be absorbed within the project budget's contingency. The primer remediation is now close to completion and unfortunately, the estimated additional cost to the project is approximately \$1 million dollars to date, which is much greater than originally anticipated. In addition, this work added a two-week delay to the construction schedule. The City has taken steps to put the appropriate parties on notice that it intends to seek compensation for the costs of the primer remediation.

Subsequent to the steel primer issue, while excavating for swimming pool tanks, the contractor discovered unknown pipes and unsuitable soils within the tank footprints. The geotechnical consultant monitoring the soil conditions determined that the pipes and surrounding soil would need to be removed and replaced with engineered fill. This work will be an addition to the original project budget. It is estimated that the cost will be \$553k.

Currently being constructed are: the swimming pool tanks, concrete floor, steel stud infill to the exterior walls, cap sheet for the roofing and concrete block partition walls. The remainder of 2021 will focus on the completion of the building envelope and initiation of interior finishes.

The \$36.25 million Downtown Pool Replacement project budget is under analysis to identify potential risk of additional expenses. Recent analysis is projecting the construction contingency to be exceeded by factors such as the failure of the primer on the structural steel, removal of unsuitable soils and restoration, and material cost escalation. City administration will have more certainty of these anticipated expenses once the underground works are complete and remaining construction tenders have been awarded.

STRATEGIC PRIORITIES:

The Downtown Replacement Pool project supports the City administration's 2020 Workplan Priorities and Council's focus areas for healthy and active lifestyles, safety and security in the Downtown, accessibility, and prioritized infrastructure re-investment and renewal.

FINANCIAL CONSIDERATIONS:

In February 2021, Council amended the \$35.75 million Downtown Replacement Pool capital project budget to include an additional \$500,000 for the NinjaCross obstacle course. The \$36.25 million capital budget funding includes \$25.5 million of Municipal Finance Authority borrowed funds, \$10

million in grant funding from the Investing in Canada Infrastructure Program, and a \$750,000 capital contribution from the Regional District Fraser-Fort George. A comprehensive review of the budget is on-going and projecting an overextended construction contingency that will require further consideration. Additional works to date including the soil restoration, primer remediation and potential cost recovery amounts that are not reflected in the budget dashboard above. As the project progresses, actual budget impacts will be realized.

SUMMARY AND CONCLUSION:

Construction of the \$36.25 million Downtown Pool Replacement project commenced in 2020 and is close to halfway towards a scheduled August 2022 construction completion date. The project is within scope and on target for completion in Fall of 2022.

The project will deliver a number of community benefits such as universal accessibility for various ages and abilities, as well as the addition of the NinjaCross obstacle course as approved by Council in February 2021.

RESPECTFULLY SUBMITTED:

Blake McIntosh, Acting Director Civic Operations

PREPARED BY: Leland Hanson, Manager Project Delivery

APPROVED:

Walter Babicz, Acting City Manager

Meeting Date: 2021/07/26



Dominion & 7th Ave. elevation



South elevation, 7th Ave.



West elevation front entrance, Quebec St.



East elevation, Dominion St.



Pool A & Pool B