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REPORT TO REGIONAL WATER SUPPLY COMMISSION MEETING OF APRIL 15, 2026

SUBJECT **Field Operations Centre Project Capital Plan Amendment and Contract Change Order**

ISSUE SUMMARY

To provide a status update on the Field Operations Centre (FOC) Project and to request authorization for a Capital Plan Amendment and associated change order.

BACKGROUND

At its September 17, 2025 meeting, the Regional Water Supply Commission (Commission) approved entering into a Design-Build contract with Kinetic Design-Build (KDB) Ltd. The contract was executed on November 24, 2025, and the project has since progressed into construction.

The building permit was issued by the City of Langford on November 5, 2025, and an Issued for Construction (IFC) drawing package was subsequently issued on November 12, 2025, completing the design phase of the project. Concurrently, KDB mobilized to site November 2025 and commenced excavation and civil works shortly thereafter. Construction has progressed steadily and without incident, with foundation concrete placement currently underway. Site access and logistics continue to be well coordinated between KDB and Capital Regional District (CRD) Watershed Protection operations, minimizing disruption to ongoing services.

Sanitary Sewer Line

As outlined in the September 17, 2025 staff report to Commission (Appendix A), sanitary servicing for the FOC was to be provided via connection to the City of Langford's municipal sewer system, requiring a sanitary line extension along Sooke Lake Road. While this requirement was identified in the report, detailed design and construction pricing were not yet finalized and were therefore excluded from the original design-build contract approval in September, 2025.

Since September, the detailed design of the 600 m sanitary line extension has been completed and accepted by the City of Langford, West Shore Environmental Services (WSES), and CRD Infrastructure Planning and Engineering. With an accepted design, KDB has finalized and submitted a price for the work of \$1,242,612.

The new sanitary sewer line will ultimately be accepted by the City of Langford upon completion and will service the FOC as well as other potential future connections. In order to ensure the sewer is in place when the FOC building is complete, an agreement between the CRD and WSES has been executed, under which CRD will construct the extension on behalf of the City. The City will contribute funding equivalent to the service connection recovery fee (SCRF) for benefiting properties, including the FOC, and has committed up to \$995,000 in grant funding to be released upon project completion and confirmation of eligible costs. The building permit is conditional on the sanitary line being operational prior to occupancy, making this work critical to maintaining the overall project schedule.

Capital Plan Amendment

The estimate for the sanitary line design and construction was \$1.4 million, consistent with what was carried in the project budget and aligned with the pricing received from KDB. Staff are seeking approval to issue the change order under agreement 25.11.06 (Appendix B) and to amend the Capital Plan to allow the work to proceed in advance of grant funding being received from the City. Upon receipt of the grant, the overall project is expected to remain within the originally approved budget.

As indicated in the September 17, 2025 staff report to Commission (Appendix A), the total project budget is a combination of two capital project budget lines: \$15.5M from #16-06 New FOC Building and \$2.0M from #23-31 Land and Site Works. The latter was added to the overall project to cover the demolition of the annex and FOC trailers, the frontage landscaping and the building and gatehouse sanitary line connection. For tracking purposes and financial best practices, staff recommend reallocating the \$2.0M such that the capital funding is included in the single capital plan line item.

Table 1: Project Schedule Update

Description	Dates
Completion of Below Grade Works	April 2026
Mass Timber Structure Install	May - August 2026
Sanitary Line Construction	May - September 2026
Building Envelope Completion	October 2026
Occupancy for Building	June 2027

Table 2: FOC Project Budget Update

	Budget	Committed	Projected	Total
Preconstruction	\$2,038,045	\$2,038,045	-	\$2,038,045
Building Construction	\$12,758,000	\$12,758,000	-	\$12,758,000
Sanitary Line Extension				
- Design and Construction	\$1,400,000	\$138,310	\$1,242,612	\$1,380,922
- Archaeological and First Nations Monitoring	\$75,000	\$51,165	\$23,835	\$75,000
- Sanitary Connection Recovery Fee	\$692,510	\$692,510	-	\$692,510
Sub-Total	\$1,172,510	\$881,985	\$271,447	\$1,153,432
Soft Costs (Internal PM, Furniture, Insurance, DCC, Utilities, Cultural Monitoring, IT, etc.)	\$950,000	\$354,730	\$594,880	\$949,610
Allowance (Contingency + Demo of Existing)	\$581,445	\$122,039	\$478,874	\$600,913
Total	\$18,495,000			\$18,495,000

Table 3: Project Budget and Funding Source Summary

Project Budget Amendment	Approved	Proposed	Total
2.670 RWS Capital Plan New FOC Building (16-06)	\$15,500,000	\$2,000,000	\$17,500,000
2.670 RWS Capital Plan Land and Site Works (23-31)	\$2,000,000	(\$2,000,000)	-
Proposed amendment to project 16-06 for sanitary line	-	\$995,000	\$995,000
Total	\$17,500,000	\$995,000	\$18,495,000
Funding Sources	CRD	External	Total
2.670 RWS - Water Capital Fund	\$9,500,000	-	\$9,500,000
2.670 RWS - Revenue from sale of IWS Goldstream gravel pit	\$5,000,000	-	\$5,000,000
Funding from Legislative and General Services (Leg & Gen)	\$3,000,000	-	\$3,000,000
Grant – City of Langford reimbursement of sanitary line	-	\$995,000	\$995,000
Total	\$17,500,000	\$995,000	\$18,495,000

ALTERNATIVES

Alternative 1

The Regional Water Supply Commission recommends to the Capital Regional District Board:

1. That the project budget for the New Field Operations Centre Building (16-06), as included in the 2026 Regional Water Supply Capital Plan, be increased by \$995,000, funded through a grant from the City of Langford;
2. That the 2026 Regional Water Supply Capital Budget be amended to reallocate \$2,000,000 from the Land and Site Works (23-31) to the New Field Operations Centre Building (16-06); and
3. That a change order be authorized under the existing Design-Build contract with Kinetic Design-Build Ltd. for the construction of a sanitary line extension in the amount of \$1,242,612 (excluding GST).

Alternative 2

That this report be referred back to staff for additional information.

IMPLICATIONS

Alignment with Board & Corporate Priorities

The FOC meets the CRD Board priorities for increasing resilience to addressing climate related risks and disasters by ensuring the building meets FireSmart BC landscape design recommendations for plants and minimum setbacks from the forest. These design elements reduce the risk of a structure fire and minimize disruption to operations in the event of a fire. The building design includes an area that can be used as an emergency operations center as needed.

Climate Implications

The building's design complies with the CRD's Green Building Policy, which establishes standards for clean energy use and greenhouse gas (GHG) reduction. These targets are being achieved through a high-performance building envelope, energy-efficient HVAC systems, and the use of low-carbon materials, together with a FireSmart BC design that enhances resilience and durability.

Equity, Diversity & Inclusion Implications

The FOC project aligns with the 2023–2026 Corporate Plan priorities for Equity, Diversity and Inclusion. The facility will include fully accessible, gender-neutral single-use washrooms.

Financial Implications

At this time, the project remains on budget; however, there is ongoing potential for construction cost escalation due to market volatility and supply chain uncertainty. These risks are being mitigated through early procurement of materials and equipment where feasible. While the Design-Build process helps reduce cost uncertainty, there remains potential for change orders as construction progresses, particularly in response to unforeseen site conditions.

The total project cost is approximately \$18.5 million, including the sanitary line extension along Sooke Lake Road, which was not part of the original design-build contract as detailed design and pricing were not finalized at that time. This work is required to connect the facility to the City of Langford's municipal sewer system and has since been incorporated into the project scope.

The City of Langford has committed up to \$995,000 in grant funding, to be provided upon project completion and confirmation of eligible costs. As this funding was not included in the approved capital budget, a budget amendment is required to incorporate both the additional cost and corresponding grant funding. Upon receipt of the grant, the net project cost to the CRD remains consistent with the previously approved budget of \$17.5 million.

First Nations Implications

The project budget includes provisions for cultural monitoring and engagement with Indigenous groups to support the sanitary main extension works along Sooke Lake Road. Archaeological monitoring services are provided by Stantec under an existing standing offer agreement, including participation from local First Nations' field representatives. Ongoing communication with First Nations is being undertaken as part of the permitting process.

Should archaeological materials be encountered, work will be suspended and appropriate notification and coordination with the Archaeology Branch and affected First Nations will occur to determine next steps. Any additional participation or requirements identified by First Nations may result in scope, schedule or cost adjustments.

Intergovernmental Implications

Legislative and General Government Services (Leg & Gen), through Juan de Fuca Electoral Area Services and Protective Services, is contributing \$3 million toward the FOC project in support of shared, multi-use space. This contribution is governed by the Memorandum of Understanding

(MOU) dated May 13, 2025.

The proposed change order and capital plan amendment do not alter the overall funding commitment from Leg & Gen. Ongoing coordination and reporting to the Project Oversight Committee will ensure alignment with the MOU and continued transparency with contributing departments.

Service Delivery Implications

The project team continues to work closely with CRD Watershed Protection operations to coordinate construction planning, including staging and site access. This coordination ensures that construction activities do not impede ongoing operations and allows other work within the watershed to proceed concurrently.

CONCLUSION

The Field Operations Centre project has progressed into the construction phase, with building works advancing as planned and key servicing requirements now defined through the permitting process. The sanitary main extension along Sooke Lake Road is a necessary component to support the project and ensure compliance with municipal servicing requirements.

The proposed change order is within the project budget, and its approval will enable this work to proceed in alignment with the construction schedule. The associated budget amendment reflects the cost recovery arrangement with the City of Langford and ensures the project budget accurately captures the full scope of work.

RECOMMENDATION

The Regional Water Supply Commission recommends to the Capital Regional District Board:

1. That the project budget for the New Field Operations Centre Building (16-06), as included in the 2026 Regional Water Supply Capital Plan, be increased by \$995,000, funded through a grant from the City of Langford;
2. That the 2026 Regional Water Supply Capital Budget be amended to reallocate \$2,000,000 from the Land and Site Works (23-31) to the New Field Operations Centre Building (16-06); and
3. That a change order be authorized under the existing Design-Build contract with Kinetic Design-Build Ltd. for the construction of a sanitary line extension in the amount of \$1,242,612 (excluding GST).

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ATTACHMENT(S)

Appendix A: Report to Commission – September 17, 2025
Appendix B: Change Order 2 – Agreement 25.11.06