

**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 17, 2025**

SUBJECT **Recommendation to Award Design-Build Contract – Field Operations Centre**

ISSUE SUMMARY

To provide an update on the Field Operations Centre (FOC) Capital Project and to obtain approval to enter into a design-build construction contract with Kinetic Design-Build (KDB).

BACKGROUND

The CRD Watershed Protection and Water Quality programs currently operate from five small separate temporary facilities that no longer meet operational or safety requirements. In 2017, CRD completed a Function and Needs Assessment and facility condition review, which recommended consolidating operations into a purpose-built Field Operations Centre (FOC) at 2995 Sooke Lake Road.

In 2021, building on the Function and Needs Assessment, a local architectural firm was retained to assist in providing a project budget. The architect looked at other local similar projects in various stages of completion to develop the project budget. The report indicated that a construction budget of \$12.8M (November 2022 prices) be used for a mass-timber building. A design-build project delivery method was selected as the best approach to minimize budget and construction timelines. A pre-qualification for a Design-Build contractor was issued in late 2023. Two submissions were received, with Kinetic Design-Build (KDB) being the successful proponent. Through negotiations, KDB provided a proposal for detailed design in January 2025. Detailed design was completed in Q1, 2025 in order to apply for a building permit in late March. During the design process, the design team worked collaboratively with CRD staff through a value engineering process to ensure the construction cost provided the best value while ensuring operational needs and future growth. Upon approving the design in July, KDB formally submitted a construction cost in August that closely aligns with the estimate from 2022.

The proposed new FOC building is planned as a two-storey, 2,037 m² (21,925 ft²) mass timber building designed to accommodate approximately 75 staff. The facility will include crew support spaces, water quality and hydrology laboratories, offices, and training and multipurpose spaces which can be used as an emergency operations centre. The design drawings are attached as Appendix A.

On November 20, 2024, staff provided the RWS Commission with a project update that identified ongoing design work, the City of Langford's sanitary servicing requirements, and the critical path to contract approval, attached as Appendix B. Since that time, the project has advanced through design development, cost plan validation, and schedule refinement under a preliminary design services agreement. The initial project scope did not include the decommissioning and revegetation of the two trailers and house where operational staff currently reside. This additional scope is required to minimize risks that include; ongoing building maintenance of abandoned infrastructure and to minimize water run-off and potential erosion issues. Based on review with the executive sponsors, the scope was added and is being funded from RWS Capital Project 25-01.

Project design and procurement have advanced to the point where a CCDC14 (Canadian Construction Documents Committee, Contract Number 14) contract with KDB has been finalized, providing cost and schedule certainty. The contract, attached as Appendix C, including all supplementary conditions, has been reviewed by external legal counsel (Stewart McDannold Stuart) to ensure alignment with CRD requirements. With the overall scope refined and the approach for sanitary servicing confirmed, the project is now ready to proceed to execution. Staff are seeking Commission approval to proceed with the execution of the contract.

Project Overview

The overall scope of work has been refined and includes the following elements:

- A two-storey, mass timber facility with concrete foundations and steel seismic systems having a total area of 2,037 m² (21,925 ft²)
- Ground floor: Crew locker/change rooms, drying room, water quality & hydrology labs, storage, and fleet support.
- Second floor: Open office workspace, meeting rooms, administrative offices, large training room, and multipurpose space designed to function as an Emergency Operations Centre (EOC).
- Site works include staff and fleet parking, heavy equipment storage, landscaping, and a new sanitary line connection to the Langford municipal sanitary sewer system.
- Design meets CRD Green Building Policy and FireSmart BC guidelines.
- Facility provides full accessibility, with barrier-free entries, elevators, and gender-neutral washrooms and changerooms.

The overall project schedule is as shown in Table 1:

Table 1: Project Schedule

Description	Dates
Function & Needs Assessment, Facility Review	2017
Design-Build Pre-Qualification Issued	December 2023
Design-Build Detailed Design RFP Issued	January 2025
Detailed Design & Value Engineering	February – July 2025
Design-Build Contract Negotiations	March - July 2025
Contractor Cost Confirmed	August 22, 2025
RWS Commission Report	September 17, 2025
Construction Period	November 2025 – June 2027

Budget

The design-build cost for the base building and associated civil works has been confirmed at \$12,758,000, providing cost certainty for the principal contract. To maintain this pricing, the contract must be awarded by early October 2025, as subtrade bids expire on October 14, 2025. Any delay beyond this date could expose the project to market-driven escalation, with contractors increasingly applying additional overhead and contingency premiums in response to supply chain volatility.

The construction contract will be funded by RWS capital project 16-06 and Legislative and General Government Services (Leg. & Gen.) capital project 25-01. This \$3 million in funding has been secured from Leg. & Gen. through an approved inter-service agreement to support shared corporate functions, including emergency operations and business continuity, supplementing funding provided in the Regional Water Supply (RWS) capital plan.

The additional scope for the site works will be funded by RWS capital project 23-31 Land and Site Works. As the decommissioning for the two trailers and house cannot start until staff are moved into the new FOC building, this work will be procured upon completion of the moves, which are scheduled to occur in the summer of 2027.

Table 2 provides a breakdown of the funding sources and the project costs. The estimate for the total project cost includes a \$400,000 contingency allowance, which is approximately 3% of the design-build contract amount. The industry best practice for this type of project delivery is to allow a contingency of 3-5% of the initial contract cost and so the total project cost includes a \$400,000 contingency allowance, which is 3.1% of the contract amount.

Table 2: FOC Project Budget

Funding Source Summary			
ITEM	AMOUNT	Notes:	Capital Plan Project Number
Core Building	\$12.5M		16-06
Inter-Service Agreement (Leg. & Gen.)	\$3M	Multipurpose spaces (emergency operations, continuity, training)	25-01
Site Works (Additional)	\$2M	Included in the 2026 RWS Capital Plan for the following: <ul style="list-style-type: none"> • Demolition of Annex & FOC trailers • Frontage landscaping at site entrance • Building & Gatehouse sanitary line connection 	23-31
Total Project Funds	\$17.5M		
Project Budget			
Pre-Construction	\$2.05M	Design Completed	
Construction	\$12.8M	KDB Contract (includes Gatehouse sanitary line)	
Internal Soft Costs	\$950k	First Nation monitoring, Utilities, Building Permit, Insurance, Internal Labour, IT, Furniture, etc.	
Site Works Costs	\$1.3M	To be completed in 2026-2027	
Contingency	\$400k	3.1% of the Design-Build contract amount	
Total Project Cost	\$17.5M		

ALTERNATIVES

Alternative 1

The Regional Water Supply Commission approves:

1. That the Field Operations Centre design-build contract be awarded to Kinetic Design-Build for \$12,758,000 (excluding GST);
2. That staff be authorized to award additional work up to a contingency amount of \$400,000; and,
3. That the Capital Regional District Chief Administrative Officer be authorized to execute the CCDC14 design-build contract, subject to receipt of the City of Langford building permit.

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 Fire Smart BC landscape design recommendations for plants and minimum setbacks from the forest. These design elements reduce the risk of a structure fire to minimize operations disruptions during a fire. The building design includes an area that can be used as an emergency operations center during an emergency.

Alignment with Existing Plans & Strategies

The FOC project aligns with the 2023-2026 Corporate Plan Equity, Diversity & Inclusion as a listed project. The design includes fully accessible, gender-neutral single use washrooms along with other barrier free and accessible elements.

Environmental & Climate Action

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 design that enhances resilience and durability.

Financial Implications

The overall project is now forecast to exceed the original \$15.5M budget, primarily due to the additional scope of the sanitary line extension along Sooke Lake Road, the Gatehouse sanitary line connection, demolition of existing facilities and frontage landscaping requirements identified through site planning and permit review. These additional costs have been incorporated into the 2026 Regional Water Service Capital Budget, ensuring that the project remains financially sustainable.

To preserve subtrade bid pricing, contract award must occur by October 7, 2025; beyond this date pricing validity expires and market volatility could drive escalation. Securing approvals now will allow the CRD and KDB to lock in the validated design-build cost, providing cost certainty and avoiding the risk of future escalation.

Service Delivery Implications

Currently, Watershed Protection staff and operations are located in two trailers, three residential houses and at the 479 Island Highway IWS office. The trailers and houses have been a temporary solution for several decades but are no longer fit for purpose and are at the end of their useful life. All temporary facilities and the 479 Island Highway office space are over capacity and have no room for expansion. Dedicated office, field laboratory and storage space is required that is purpose built for efficient operations, security and protection of the watershed for today and into the future. The nature of watershed protection and water quality sampling work will always require a field presence. The project team and Watershed Protection staff have reviewed the construction site planning for the project to determine the construction site boundaries and staging areas to

ensure Watershed Protection operations can continue unimpeded during construction while allowing other projects on the FOC site to progress concurrently.

CONCLUSION

The Field Operations Centre is a critical capital project that has advanced through design development, cost validation, and procurement. Since the May 2025 update, the cost plan for the original scope has been validated, sanitary servicing confirmed, additional scope integrated, and additional funding secured. The use of the Progressive Design-Build delivery method has resulted in an optimized design and good value for the CRD. To secure subtrade pricing and maintain the project schedule, execution of the negotiated CCDC14 design-build contract with Kinetic Design-Build is required by early October 2025.

RECOMMENDATION

The Regional Water Supply Commission approves:

1. That the Field Operations Centre design-build contract be awarded to Kinetic Design-Build for \$12,758,000 (excluding GST);
2. That staff be authorized to award additional work up to a contingency amount of \$400,000; and,
3. That the Capital Regional District Chief Administrative Officer be authorized to execute the CCDC14 design-building contract, subject to receipt of the City of Langford building permit.

Submitted by:	Stephen May, P. Eng., Senior Manager, Corporate Capital Project Delivery Services
Concurrence:	Alicia Fraser, P. Eng., General Manager, Infrastructure and Water Services
Concurrence:	Nelson Chan, MBA, FCPA, FCMA, Chief Financial Officer, GM Finance & IT
Concurrence:	Kristen Morley, J.D., General Manager, Corporate Services & Corporate Officer
Concurrence:	Ted Robbins, B. Sc., C. Tech., Chief Administrative Officer

ATTACHMENT(S)

Appendix A: Field Operations Centre Design Drawings

Appendix B: Report to Commission – November 20, 2024

Appendix C: Design-Build Contract with Supplementary General Conditions