



TO: Greater Vernon Advisory Committee
FROM: Parks, Recreation and Culture
DATE: September 17, 2013
SUBJECT: Greater Vernon Art Gallery & Museum Referendum

RECOMMENDATION:

That it be recommended to the Board of Directors that a total of \$60,000 be approved in the 2013 Greater Vernon Parks, Recreation and Culture (060) budget to retain consultants to confirm construction and operating costs for the proposed new art gallery and museum expansion, and to develop the public education material for the referendum, with monies to come from reserves.

SUMMARY:

The following items require a Board decision in order for staff to continue to work toward the art gallery/museum referendum in the Spring of 2014 (listed in sequential order):

1. Verification of Cost Estimates:
 - a. Whether or not to retain a quantity surveyor (QS) to review and confirm capital cost estimates provided by the partner organizations.
 - b. Whether or not to retain a culture/heritage consultant to review and confirm the operating costs and revenue projection estimates provided by the partner organizations.
2. New Service Establishment: Establish which jurisdictions will participate in the new art gallery and museum service.

Also necessary is the approval of funding to support the development of the public education material necessary for the referendum process. This is not an optional step – it is necessary to ensure that the public has all of the information on the project that they will be voting on.

DISCUSSION:

Verification of cost estimates

The Vernon Public Art Gallery and the Greater Vernon Museum and Archives have provided cost estimates based on square footage, which were developed in consultation with architects (summarized in the Financial Consideration section of this report). It is recommended that these costs be reviewed and confirmed by a quantity surveyor that has significant experience in museums and art galleries. A number of such firms have been consulted and have or will be providing cost estimates (Attachment “A”).

Although it is not recommended, the Board could choose to forego the quantity survey work and, if the referendum was successful, the detailed design work would be done to fit the budget estimates provided by the art gallery and the museum. If the Board's decision is to skip the quantity survey, the costs provided in the financial section of this report will be the information that staff moves forward with. The risk to moving forward with these numbers is that, if the referendum is successful, it may be determined that the budgeted amount is not enough for all of the features/spaces proposed for the new facilities, and the buildings may need to be scaled back to fit the budget.

The risk to moving forward without substantiating the operating costs is held by the Regional District. If the operating costs and/or revenue projections are out, the Regional District will be liable for the additional costs to operate the facility, since it will be the Regional District's responsibility to operate and maintain these buildings, whether or not it is operated through a not-for-profit agency partnership.

New Service Establishment

If the Board decides that it would rather not proceed with the consulting work required to confirm cost estimates, we are at the point where each participant of the Greater Vernon Advisory Committee has all of the information that will be available in order to make a decision on whether or not their jurisdiction is interested in participating in the new art gallery and museum service. If this is the direction that the participants would like to proceed with, interest in participation in the new service should be indicated by the participants at this meeting, and staff will draft up a new service establishment bylaw accordingly.

BACKGROUND/HISTORY:

At their regular meeting held on September 5, 2013, the Greater Vernon Advisory Committee adopted the following resolution:

“That it be recommended to the Board of Directors, staff be directed to proceed to referendum to support long-term borrowing for a new art gallery and an expanded museum in the Spring of 2014; and further

That the museum and art gallery pay the differential costs of the referendum, presently estimated at \$50,000.”

At the time of writing this report, this recommendation had not been endorsed by the Board of Directors, but given the tight timeline of this project staff have acted upon the recommendation.

REFERENDUM COSTS:

Development of public education material.....\$30,000
Referendum costs.....\$50,000 (covered by VPAG and GVMA)

PROJECT COSTS:

Project cost confirmation.....\$30,000 (QS and cultural consultant)

Art Gallery Facility Construction Costs

Capital Construction <i>(based on information provided by the Vernon Public Art Gallery)</i>	\$7 M
**Offsite Works <i>(provided by City of Vernon)</i>	\$7,000
*Land Acquisition <i>(provided by City of Vernon)</i>	\$880,000

TOTAL \$7,887,000

Museum Facility Construction Costs

Capital Construction <i>(based on information provided by the GV Museum and Archives)</i>	\$10 M
**Offsite Works <i>(provided by City of Vernon)</i>	\$22,000
*Land Acquisition <i>(provided by City of Vernon)</i>	TBD

TOTAL \$10,022,000

TOTAL ESTIMATED PROJECT CONSTRUCTION COSTS:	\$17.9 M
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**Offsite Works

The costs provided by the City of Vernon are rough estimates, and are only to be used for order of magnitude (Attachment "B").

*Land Acquisition

There is a resolution from City of Vernon Council that says they are willing to sell the property for the new art gallery to the Regional District. It should be clarified whether or not there is an intention to gift the properties to the Regional District, since the location of the facilities will help achieve City of Vernon planning objectives. At this time, however, the full land value has been included in the capital cost.

The museum expansion may require some land behind the existing museum building, currently used for staff parking. This will require further discussion with the City of Vernon.

Art Gallery Operating Costs **Current** (2012 actual) **Proposed** (new gallery)

Operating Grant	\$175,000	\$310,000
Lease Payment	\$57,614	\$0
Building Maintenance	\$4,262	\$10,000
Utilities (gas/hydro)	\$6,000	\$9,000
Insurance	\$0	\$17,000

TOTAL \$242,876 \$346,000

Museum Operating Costs **Current** (2012 actual) **Proposed** (post- expansion)

Operating Grant	\$180,034	\$285,000
Building Maintenance	\$31,884	\$20,000
Utilities (gas/hydro)	\$23,728	\$47,456
Insurance	\$0	\$17,000
Information systems support	\$46,200	\$60,000

TOTAL \$281,846 \$429,456

Costs shown assume outright ownership or rent-free license of the land and facilities by the Regional District.

TOTAL ESTIMATED ANNUAL OPERATING COST INCREASE:	\$250,000
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Public Education

Regardless of the decision on hiring a consultant to confirm cost estimates, it is a requirement of a referendum to have some commitment of funding toward the public education component. Voters must have adequate access to the project information. Therefore, it is *recommended that \$30,000 be approved in the 2013 Greater Vernon Parks, Recreation and Culture (060) budget for the development of public education material, with monies to come from reserves.*

LEGAL/STATUTORY AUTHORITY:

The financing for this project would require long-term borrowing; therefore elector assent would be necessary in accordance with Division 2 [Approval of the Electors] of Part 4 and section 282 (2) (d) of the Community Charter, as it applies under section 819 of the Local Government Act. It is also required that the assent of the electors for any loan authorization bylaw be conducted under Part 4 [Other Voting] within and for the entire proposed service area (to be determined by jurisdiction participation in the new service).

If elector assent is obtained, the Board of Directors will be required to adopt both the service establishment bylaw, as well as the loan authorization bylaw, and undertake the process to obtain financing through the Municipal Finance Authority.

PERSONNEL IMPLICATIONS:

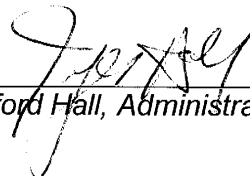
The work required for a spring referendum will have significant impacts on staff time throughout Fall 2013 and Spring 2014, in both Parks, Recreation and Culture and Corporate.

Submitted by:



Tannis Nelson
Community Development Coordinator

Approved for Inclusion:



Trafford Hall, Administrator



September 25, 2013

Regional District of North Okanagan
Parks, Recreation and Culture
9848 Aberdeen Road
Coldstream, BC V1B 2K9

Attention: Ms. Tannis Nelson, Community Development Coordinator

Dear Ms. Nelson:

**RE: Vernon Public Art Gallery
Cost Consulting Services**

Further to your email dated September 19, 2013, we wish to confirm our fee proposal to provide cost consulting services in regards to the above referenced project as follows:

1.0 SCOPE OF SERVICES

Conceptual Design / Class D Estimate

Prepare an estimate of construction cost based on the architectural concept design sketches and preliminary outline specifications. The estimate will be based upon elemental quantities and elemental unit costs from the preliminary design drawings, building program requirements and outline specification. We will base our estimates upon the elemental unit costs of similar projects in comparative locations. We will provide a comprehensive summary of total project cost that will include the estimated costs of construction, site development costs, non-construction costs such as consulting fees (based upon cost information provided by the Project Manager) and equipment costs (based upon cost information provided to us by the Project Manager, the Architect, and other members of the Project Team).

2.0 FEE

To provide the services outlined above, we propose the following fee:

Option	\$
New Art Gallery	7,000
Expansion to Existing Museum	8,000 *

* based on the sketches included in the 2005/2006 concept plan for a cultural complex

The fees quoted above exclude the Goods & Services Tax and any disbursement charges.

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BTY.COM

2.0 FEE (continued)

Our hourly rates for any additional work beyond the stated scope of services are:

Title	Hourly Rate
Partners	\$200
Associates	\$150
Senior Cost Consultants	\$130
Cost Consultants	\$110

Disbursements such as travel expenses, long distance telephone communication, document and drawings reproduction and courier charges are excluded and would be invoiced at cost plus 10% administration handling.

3.0 PROJECT EXPERIENCE

BTY Group has provided cost consulting services on many relevant projects across Canada, a selection of which is as follows:

ART GALLERIES

- Art Gallery of Greater Victoria
- Art Gallery of Hamilton
- Belkin Art Gallery, Vancouver
- Remai Art Gallery, Saskatoon
- St. Albert Art Gallery
- Vancouver Art Gallery
- West Vancouver Arts Centre

EXHIBIT SPACES

- Four Host First Nations' Pavilion, 2010 Olympics, Vancouver
- Richmond Tram House
- Science World, Vancouver
- Treaty Eight Interpretive & Administration Centre, Fort St. John
- Vancouver Aquarium Discovery Education Centre
- Vancouver Playhouse
- York Theatre, Vancouver

MUSEUMS

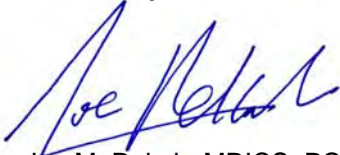
- Audain Art Museum, Whistler
- Bellingham Museum, WA
- Canadian Museum of Rail, Cranbrook
- Jewish Museum of BC, Vancouver
- Royal BC Museum, Victoria
- UBC Museum of Anthropology, Vancouver

We have also included our Corporate Profile and Curricula Vitae for the proposed team for your information and use.

Should you have any questions or require further information, please do not hesitate to contact our office.

Yours truly,

BTY Group



Joe M. Rekab, MRICS, PQS(F)
Managing Partner



Ross Templeton, MRICS, PQS
Partner

ACCEPTANCE OF FEE PROPOSAL

Please indicate your acceptance of this proposal by signing in the appropriate space below and returning this page to our office.

Re: Vernon Public Art Gallery

We have reviewed the proposal submitted by **BTY Group** and the outlined scope of services.

This is your authorization to proceed with the work described in your proposal dated September 26, 2013, or the amount of:

Fee: \$7,000.00 (seven thousand dollars) – New Art Gallery

Fee: \$8,000.00 (eight thousand dollars) – Expansion to existing museum

The fee is exclusive of the Goods and Services Sales Tax and includes all of our staff assigned to the project, including support staff. Project disbursements such as couriers and document reproduction and out of town travel costs would be additional to the fixed fee. Invoices for our services would be submitted monthly, payable 15 days after date of submission.

Authorized by:

Signature

Date

Name



CORPORATE PROFILE

BTY Group is one of Canada's leading consultancies for Cost Management, Project Monitoring and Public-Private Partnership Advisory services.

With a diverse workload in planning, construction and development, we provide services through our offices in Vancouver, Toronto, Edmonton, Calgary, Saskatoon, St. Catharines, Ottawa and Montréal. Over the last 35 years, BTY Group has gained a reputation for providing clients with professional and practical advice of the highest calibre. We have provided support in capital investment to clients in the health-care, education, research, transportation, leisure, retail, residential and commercial sectors. The diversity of our client base attests to our ability to adapt critical thinking and analysis to the task at hand. We have a staff complement of over 70, including 60 qualified professionals and technical staff.

We strive to be Canada's leading and most trusted provider of cost and value management, and project monitoring services. We measure our success by the success of our clients and the quality of our relationships.

COST MANAGEMENT

Cost Management is crucial to planning and developing construction projects of any nature. We believe identifying and achieving maximum value is the keystone to any integrated design and construction process. BTY Group has the flexibility to offer meaningful professional advice, supported by relevant data, to suit any given project delivery method, at any time in the integrated project cycle. We provide a framework upon which our clients are able to develop and manage their projects. We draw on our long history as one of Canada's leading Cost Management practices to enrich the skills, expertise and information we offer our clients. Our customer-focused attitude enhances effectiveness and ensures that critical decisions are taken early in the process. Our cost management expertise helps our clients make decisions that will ensure maximum return on their property, development and construction investments.

MISSION

- Our primary services are Cost Management; Project Monitoring; Lenders' Advisory; Payment Certification; and Risk and Value Analysis.
- We aim to be our clients' first resource on matters relating to the due diligence, valuing, planning, monitoring and management of investments/interests in the property, development and construction sectors.
- As a key consultant, we operate in a balanced and integrated manner through the complete development cycle, delivering leading expertise and market intelligence, thus ensuring that our clients' key project objectives and goals are achieved.
- We strive to offer a secure and challenging work environment to attract, motivate, develop and retain the best people, based on a business model, which fosters strength, stability and strategic growth.
- Our reputation is founded on a commitment to service excellence, combined with specific local knowledge and effective delivery.

September 26, 2013

Ms. Tannis Nelson
Community Development Coordinator
Parks, Recreation and Culture
Regional District of North Okanagan
9848 Aberdeen Road
Coldstream, British Columbia
V1B 2K9

Hanscomb

RE: Cost Control and 'Total Project Support' Services

Dear Tannis:

It was a great pleasure speaking with you the other day and I am happy to provide you some background on our team. Hanscomb is pleased to submit this presentation to you in hopes that we may be able to provide Cost Control and Total Project Support Services in connection with this project for your consideration.

As Canada's oldest and largest independent Project Support and Control Services practice, we believe the experience we have gained in the provision of Cost Planning and Advisory Services to private ventures across the country is second to none. We maintain a totally integrated in-house construction costing, process, procurement, scheduling, value management facilitation and applied research staff covering all architectural, structural, mechanical and electrical aspects of projects. As your Consultant, we will draw on our vast experience to provide you with a complete and comprehensive service.

We believe we are uniquely qualified to assume a role as your Consultant on your behalf with a variety of stakeholders, especially throughout the Okanagan. Through our past involvement with organizations like yours we have developed a successful working relationship with many members of their teams and a clear understanding of your project support requirements.

We look forward to the opportunity of working with you on this or any project and would be pleased to accept an invitation to discuss our services and qualifications in more detail at your convenience. In the interim, if you have any questions or require additional information, please do not hesitate to call.

Sincerely,

Hanscomb Limited



Ken King, PQS, MRICS, ASCT
Manager, Business Development

Hanscomb Limited

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Letter of Introduction

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Appendix C – Cost Planning and Control Services Scope of Work
Outline

Appendix D – Value Management Services Scope of Work Outline

1.0 Executive Summary

Executive Summary

Clearly, the Regional District of North Okanagan (RDNO) wishes to retain the comprehensive services of an exceptional Consultant team! As part of this team Hanscomb can provide an extensive range of cost consulting and related support services in the planning, assessment, reporting, development and management of a truly remarkable facility. Ultimately, this facility must consider a wide range of needs and desires of a diverse group of stakeholders while delivering on its mandate of providing top tier recreational opportunities. To reach these goals, and as described in your e-mail, our services include:

1. Update the existing cost estimate to a Class 'D' cost estimate at the Conceptual phase.

Established in 1957, with eight offices and more than 60 professional staff across Canada, Hanscomb Limited is Canada's leading independent organization of cost control and project support specialists with an admirable international reputation.

The Hanscomb Lead Cost Consultant and Cost Consultant nominees proposed for this assignment are among the best qualified and most experienced Project Support and Control Specialists currently working in Canada. We propose to deliver all our services to this assignment with Vancouver office based 'in-house' staff.

In addition to the personnel named in this submission, the Hanscomb team includes more than 60 project control specialists who are available to contribute their cost estimating and advisory expertise to this assignment as and when required to ensure that our services are delivered smoothly, accurately and on time.

Nationwide, Hanscomb is currently providing project cost planning and control services to public sector infrastructure and transportation projects with a combined value of over \$3 Billion. Our work includes many of the most significant and complex building and infrastructure development projects currently underway. Our recent project experience also includes a remarkably wide range of project delivery methods including, but not limited to, project management, design-build, Integrated Project Delivery (IDP) and P3 projects as consultants to both owners and proponents.

We also have a great deal of experience with a variety of LEED certified facilities, work in northern climates and work on other remote or difficult project locations.

As your Cost Consultant our key tasks will include the provision of timely and accurate cost planning and cost advisory services that support the development of successful strategies for the development and procurement of the project in Vernon, British Columbia.

In addition to the Cost Consulting Services described in this proposal, Hanscomb can also provide a complete range of additional Project Support and Control Services including, but not limited to, Scheduling, Value Management, Time Planning, Procurement Strategy, Construction Stage Cost Control Services and Budget Status Reporting that may be of interest. We would be pleased to provide you with more detailed information about these services should you so desire.

5.0 Project Understanding and Methodology

5.1 Key Project Issues

5.1.1: Cultural Resource Objectives

The main objectives implied in the business case similar to this project include the following cultural facility elements for the **Vernon Museum Expansion**:

- Create new space of approximately 16,300 square feet,
- Renovate the existing space of approximately 13,000 square feet,
- Meet the requirements as identified in the Vision Statement as produced in the Strategic Action Plan,
- AND, create a facility that will meet the needs of the GVSC and the RDNO.

5.1.2: Sustainability, Environmental and Equitable Objectives

The sustainable, environmental and equitable objectives indicated in the business case for this project include, but are not limited to, the following:

- Recognize the sensitive environment that encompasses this facility and its surrounds. As your Cost Consultant our role will be to aware of the implications of the decisions made for the project, including those that are indirect and which may effect the environment or the sustainability of the project,
- Optimize the waste balance from the Regional District of North Okanagan's (RDNO) operations (i.e. minimizing waste generation while maximizing its reuse and recycling). As your Cost Consultant our role will be to analyze and help verify the assumptions and feasibility made for each opportunity made during construction, operation and deconstruction/decommissioning with respect to waste resources.
- Minimize the contribution to climate change. As your Cost Consultant our role will be to examine the direct and indirect costs associated to the effects on the climate as it relates to the feasibility for this development.
- Provide a facility that is an asset to the community. As your Cost Consultant our role will be to examine the costs and values associated with this facility, including Life Cycle Costing if requested, to properly capture and represent to the community the enhanced value of this facility.
- Develop and apply decision-making processes which are transparent, inclusive and respectful of the interests of all affected parties. As your Cost Consultant our role will be critical to ensuring an objective approach to the development of those measures which will be key to exceptional decision-making.
- Demonstrate the RDNO values and commitment to sustainability through the creation of a model facility for others to emulate. As your Cost Consultant our role will be to infuse our Cost Consulting process with the ideals of RDNO in an objective manner so as to provide our client, RDNO, unassailable justification for each decision made for this model project.

5.0 Project Understanding and Methodology

- Provide a facility that is financially sustainable and provides value for money for the Regional District of North Okanagan's (RDNO) rate payers. As your Cost Consultant our role will be to verify this outcome if required and, working with our client RDNO, provide comparative global models to rate the performance outcomes of this facility.

5.1.3: Community Asset

The opportunity for the development of this facility as a community asset is remarkable. All interests specific to this facility will need to work in harmony with the Regional District of North Okanagan (RDNO) and other interests. This could require the following considerations:

- Municipalities – Recognize the potential current and future feasibility of a variety of complimentary services that this facility could provide to interested municipalities.
- First Nations – Recognize the variety of interests of First Nations peoples regarding this facility recognizing their unique place in Canadian society especially as it relates to the north Okanagan region.
- Not-For-Profits and NGO's – Recognize a variety of interests of other Not-For-Profits and NGO's (Non-Governmental Organizations) regarding the specific and unique development of this facility as they are presented to the RDNO.
- Businesses – Recognize a variety of business interests regarding the specific and unique development of this facility as they are presented to the RDNO.
- Mitigative, Restorative, Regenerative and Enhancement Options – Categorize, analyze and confirm the overall feasibility of every measure, process or relationship to determine how they would meet one or more of these standards, demonstrating this facility as a true community asset.

5.2 Work Methodology

The following is a brief description of the key methodologies, issues, considerations and risks that we will continuously use and monitor to ensure the successful delivery of our cost consulting work on this assignment:

Client Communications: To ensure that our clients receive clear, concise and complete cost data and opinions, we observe a strict single point client communications protocol. Our Lead Estimator for this assignment will be our gate keeper, expeditor and our final quality control check for all client communications.

Rapid Responses to Requests for Services: We propose to deliver our services to Metro Vancouver for this assignment from our Vancouver office. Accordingly, our Lead Estimator or an experienced designate will be available locally to respond to meeting requests, either in person or by teleconference, during normal business hours within 24 hours of notification.

Cost Estimating Procedures: Generally, our estimates are prepared in elemental format in accordance with the Canadian Institute of Quantity Surveyors Standard Method of Measurement. The elemental estimating method breaks down construction into a series of standard building systems and components and organizes them into a 'checklist' format that ensures estimators consider the entire scope of work during estimate preparation. This is extremely important at the earliest stages of design when documentation for major building components may be incomplete. Additionally, using a standardized approach to cost estimating – doing the same thing the same way every time – significantly reduces the chance of errors of omission or duplication.

5.0 Project Understanding and Methodology

Finally, the standardized reporting method permits cost analysis and quality control by direct comparison with similar recently completed projects. Furthermore, we adhere to the ASTM E2516-11 standards for cost estimating classifications. Class 5 estimates are completed for initial feasibility and screening of options. Class 4 estimates are prepared when developing the various alternatives and comparison of all the options. Class 3 estimates will be completed as the basis of setting the overall project budget as part of the submission of the indicative/preliminary design.

We use proprietary software that permits our estimates to be presented in both elemental and trade formats. Where appropriate, and in consultation with the project team, estimates can also be sub-divided to show separately the costs of major design or functional elements of the project where costs are required to be separately attributed to multiple funding sources.

Quality Control: Internally, we maintain production quality control through training, supervision and the use of sophisticated computer aided estimating procedures designed to reduce logic, omission and mathematical errors through estimate task checklisting and calculation automation.

Cost Estimating Risk Assessment: Our estimating work on every assignment includes careful assessment of both general construction market and specific project risks. A detailed discussion of our approach to the quantification cost planning risks is included in our Cost Planning and Control Services Scope of Work Outline in Appendix E of this proposal.

LEED Project Training and Certification: Our staff are encouraged and subsidized to continue to improve their skills through participation in continuing education, professional development programs and presentations. In this regard, a number of our staff have recently completed the Canada Green Building Council LEED Canada – NC Technical Review Workshop (formerly LEED Canada Training Level 1).

Project Experience: With literally thousands of public sector building and infrastructure projects to our credit, our construction cost estimating and value management experience is unparalleled. Our experience has taught us that project specific programmatic, procurement, and funding requirements necessitate individually tailored cost planning and reporting methodologies. Often, providing the best cost advice involves accessing the experience and expertise of more than one member of our team of more than 60 cost planning professionals. As noted in the previous section of this proposal, our Lead Estimator and Estimator will have immediate access to the skills and experience of the entire Hanscomb team. Remote locations, cold weather construction, and specialized construction materials and techniques such as heavy timber are just a few examples of the estimating knowledge base available internally.

Providing Value Management Facilitation and Support: Our Lead Cost Consultant and Cost Consultant nominees for this assignment regularly support value management initiatives on many of their project assignments. Further, Hanscomb has the skilled and qualified staff to provide formal value management workshop facilitation services. We have included our Value Management Services Scope of Work Outline in Appendix F of this proposal for your consideration.

6.0 Fees, Charge Out Rates and Disbursements

6.1 Fees

BASE QUOTE – Class ‘D’ Estimate to confirm Conceptual Budget Costs

Total Price – Nine Thousand, Five Dollars ⁰⁰/_{XX} (\$9,500.⁰⁰) plus taxes and disbursements (T&D)
Discount this fee by \$950 if Hanscomb is also awarded the work to provide a Class ‘D’ Estimate for the Expansion to the Vernon Museum as proposed under a separate cover.

ADDITIONAL COSTING SERVICES QUOTE – Class ‘C’ to Class ‘A’ Pre-Tender Estimates

Class ‘C’ @ Complete Design Development – Eleven Thousand Dollars ⁰⁰/_{XX} (\$11,000.⁰⁰) plus T&D
Class ‘B1’ @ 33% Working Drawings – Six Thousand Dollars ----- ⁰⁰/_{XX} (\$6,000.⁰⁰) plus T&D
Class ‘B2’ @ 67% Working Drawings – Six Thousand Dollars ----- ⁰⁰/_{XX} (\$6,000.⁰⁰) plus T&D
Class ‘A’ @ Pre-Tender – Eight Thousand, Five Hundred Dollars ----- ⁰⁰/_{XX} (\$8,500.⁰⁰) plus T&D
Discount to these fees by 10% if Hanscomb is also awarded the same work to provide any of these estimates for the Expansion to the Vernon Museum as proposed under a separate cover.

6.2 Charge Out Rates

The Cost Consultant Services rates for additional work not identified herein are:

- | | | |
|---|----------------|---------------|
| • Principal in Charge | Paul Westbrook | \$200.00/hour |
| • Sr. M&E Consultant | Thilak Bandara | \$150.00/hour |
| • Team Leader / Sr. A&S Cost Consultant | Ken King | \$150.00/hour |
| • Intermediate Cost Consultant | | \$120.00/hour |
| • Junior Cost Consultant | | \$ 95.00/hour |

We have made the following assumptions in the preparation of our fee proposal:

- All hourly rates exclude taxes and disbursements
- Hourly rates are applicable until December 2014 and may be subject to annual adjustment thereafter
- Hourly rates include reimbursable expenses (travel) within the Greater Vancouver area
- Reimbursable expenses will be billed in accordance with Regional District of North Okanagan policy
- Hourly rates assume that all large scale (larger than 11" x 17") or colour documentation prepared by others and required for our work will be provided in hard copy format. Hanscomb is equipped to receive smaller scale documents in PDF format.
- Hourly rates include printing and reproduction costs for up to three copies of each of our reports, Hanscomb reserves the right to charge for time beyond these limits
- Hourly rates assume that, except as specifically noted prior to this proposal, any documentation made available by Hanscomb in electronic format will be in PDF format.

6.3 Disbursements

As a guide, Hanscomb recommends including \$250.00 for disbursements solely for this phase, which is not included in the fees noted above. All disbursements billed at cost plus 5%.

6.4 Conflict of Interest Statement

At this time, we are unaware of any actual or perceived conflicts of interest that could affect the delivery of our cost consulting services to Regional District of North Okanagan. We are aware that, from time to time, individual estimating tasks related to this assignment could require access to commercially sensitive information. As one of the province's leading professional cost consulting firms, we have ongoing working relationships with a variety of public and private sector clients on a wide range of projects. Therefore, before accepting any task, we will disclose any relevant prior or ongoing involvement for the project in question to Regional District of North Okanagan and await their decision on the matter. Further, having accepted an assignment under this agreement, we will not accept work on the same project for another client without first obtaining the approval of Regional District of North Okanagan.

5.0 Project Understanding and Methodology

5.1 Key Project Issues

5.1.1: Cultural Resource Objectives

The main objectives stated in the business case for this project include the following cultural facility elements for the **NEW Vernon Public Art Gallery**:

- Create a space of approximately 18,000 square feet,
- Create a Class A facility suitable to host exhibitions as typically organized by other Class A galleries,
- Create a Class A facility that will protect the existing collection of 579 works while also allowing the growth of the VPAG collection,
- AND, create a Class A facility that will help drive tourism and increase revenues for the community and for the VPAG.

5.1.2: Sustainability, Environmental and Equitable Objectives

The sustainable, environmental and equitable objectives indicated in the business case for this project include, but are not limited to, the following:

- Recognize the sensitive environment that encompasses this facility and its surrounds. As your Cost Consultant our role will be to aware of the implications of the decisions made for the project, including those that are indirect and which may effect the environment or the sustainability of the project,
- Optimize the waste balance from the Regional District of North Okanagan's (RDNO) operations (i.e. minimizing waste generation while maximizing its reuse and recycling). As your Cost Consultant our role will be to analyze and help verify the assumptions and feasibility made for each opportunity made during construction, operation and deconstruction/decommissioning with respect to waste resources.
- Minimize the contribution to climate change. As your Cost Consultant our role will be to examine the direct and indirect costs associated to the effects on the climate as it relates to the feasibility for this development.
- Provide a facility that is an asset to the community. As your Cost Consultant our role will be to examine the costs and values associated with this facility, including Life Cycle Costing if requested, to properly capture and represent to the community the enhanced value of this facility.
- Develop and apply decision-making processes which are transparent, inclusive and respectful of the interests of all affected parties. As your Cost Consultant our role will be critical to ensuring an objective approach to the development of those measures which will be key to exceptional decision-making.
- Demonstrate the RDNO values and commitment to sustainability through the creation of a model facility for others to emulate. As your Cost Consultant our role will be to infuse our Cost Consulting process with the ideals of RDNO in an objective manner so as to provide our client, RDNO, unassailable justification for each decision made for this model project.

5.0 Project Understanding and Methodology

- Provide a facility that is financially sustainable and provides value for money for the Regional District of North Okanagan's (RDNO) rate payers. As your Cost Consultant our role will be to verify this outcome if required and, working with our client RDNO, provide comparative global models to rate the performance outcomes of this facility.

5.1.3: Community Asset

The opportunity for the development of this facility as a community asset is remarkable. All interests specific to this facility will need to work in harmony with the Regional District of North Okanagan (RDNO) and other interests. This could require the following considerations:

- Municipalities – Recognize the potential current and future feasibility of a variety of complimentary services that this facility could provide to interested municipalities.
- First Nations – Recognize the variety of interests of First Nations peoples regarding this facility recognizing their unique place in Canadian society especially as it relates to the north Okanagan region.
- Not-For-Profits and NGO's – Recognize a variety of interests of other Not-For-Profits and NGO's (Non-Governmental Organizations) regarding the specific and unique development of this facility as they are presented to the RDNO.
- Businesses – Recognize a variety of business interests regarding the specific and unique development of this facility as they are presented to the RDNO.
- Mitigative, Restorative, Regenerative and Enhancement Options – Categorize, analyze and confirm the overall feasibility of every measure, process or relationship to determine how they would meet one or more of these standards, demonstrating this facility as a true community asset.

5.2 Work Methodology

The following is a brief description of the key methodologies, issues, considerations and risks that we will continuously use and monitor to ensure the successful delivery of our cost consulting work on this assignment:

Client Communications: To ensure that our clients receive clear, concise and complete cost data and opinions, we observe a strict single point client communications protocol. Our Lead Estimator for this assignment will be our gate keeper, expeditor and our final quality control check for all client communications.

Rapid Responses to Requests for Services: We propose to deliver our services to Metro Vancouver for this assignment from our Vancouver office. Accordingly, our Lead Estimator or an experienced designate will be available locally to respond to meeting requests, either in person or by teleconference, during normal business hours within 24 hours of notification.

Cost Estimating Procedures: Generally, our estimates are prepared in elemental format in accordance with the Canadian Institute of Quantity Surveyors Standard Method of Measurement. The elemental estimating method breaks down construction into a series of standard building systems and components and organizes them into a 'checklist' format that ensures estimators consider the entire scope of work during estimate preparation. This is extremely important at the earliest stages of design when documentation for major building components may be incomplete. Additionally, using a standardized approach to cost estimating – doing the same thing the same way every time – significantly reduces the chance of errors of omission or duplication.

5.0 Project Understanding and Methodology

Finally, the standardized reporting method permits cost analysis and quality control by direct comparison with similar recently completed projects. Furthermore, we adhere to the ASTM E2516-11 standards for cost estimating classifications. Class 5 estimates are completed for initial feasibility and screening of options. Class 4 estimates are prepared when developing the various alternatives and comparison of all the options. Class 3 estimates will be completed as the basis of setting the overall project budget as part of the submission of the indicative/preliminary design.

We use proprietary software that permits our estimates to be presented in both elemental and trade formats. Where appropriate, and in consultation with the project team, estimates can also be sub-divided to show separately the costs of major design or functional elements of the project where costs are required to be separately attributed to multiple funding sources.

Quality Control: Internally, we maintain production quality control through training, supervision and the use of sophisticated computer aided estimating procedures designed to reduce logic, omission and mathematical errors through estimate task checklisting and calculation automation.

Cost Estimating Risk Assessment: Our estimating work on every assignment includes careful assessment of both general construction market and specific project risks. A detailed discussion of our approach to the quantification cost planning risks is included in our Cost Planning and Control Services Scope of Work Outline in Appendix E of this proposal.

LEED Project Training and Certification: Our staff are encouraged and subsidized to continue to improve their skills through participation in continuing education, professional development programs and presentations. In this regard, a number of our staff have recently completed the Canada Green Building Council LEED Canada – NC Technical Review Workshop (formerly LEED Canada Training Level 1).

Project Experience: With literally thousands of public sector building and infrastructure projects to our credit, our construction cost estimating and value management experience is unparalleled. Our experience has taught us that project specific programmatic, procurement, and funding requirements necessitate individually tailored cost planning and reporting methodologies. Often, providing the best cost advice involves accessing the experience and expertise of more than one member of our team of more than 60 cost planning professionals. As noted in the previous section of this proposal, our Lead Estimator and Estimator will have immediate access to the skills and experience of the entire Hanscomb team. Remote locations, cold weather construction, and specialized construction materials and techniques such as heavy timber are just a few examples of the estimating knowledge base available internally.

Providing Value Management Facilitation and Support: Our Lead Cost Consultant and Cost Consultant nominees for this assignment regularly support value management initiatives on many of their project assignments. Further, Hanscomb has the skilled and qualified staff to provide formal value management workshop facilitation services. We have included our Value Management Services Scope of Work Outline in Appendix F of this proposal for your consideration.

6.0 Fees, Charge Out Rates and Disbursements

6.1 Fees

BASE QUOTE – Class 'D' Estimate to confirm Conceptual Budget Costs

Total Price – Six Thousand, Five Dollars ---⁰⁰/_{xx} (\$6,500.⁰⁰) plus taxes and disbursements (T&D)
Discount this fee by \$650 if Hanscomb is also awarded the work to provide a Class 'D' Estimate for the Expansion to the Vernon Museum as proposed under a separate cover.

ADDITIONAL COSTING SERVICES QUOTE – Class 'C' to Class 'A' Pre-Tender Estimates

Class 'C' @ Complete Design Development – Eight Thousand Dollars ⁰⁰/_{xx} (\$8,000.⁰⁰) plus T&D
Class 'B1' @ 33% Working Drawings – Five Thousand Dollars -----⁰⁰/_{xx} (\$5,000.⁰⁰) plus T&D
Class 'B2' @ 67% Working Drawings – Five Thousand Dollars -----⁰⁰/_{xx} (\$5,000.⁰⁰) plus T&D
Class 'A' @ Pre-Tender – Five Thousand, Five Hundred Dollars -----⁰⁰/_{xx} (\$5,500.⁰⁰) plus T&D
Discount to these fees by 10% if Hanscomb is also awarded the same work to provide any of these estimates for the Expansion to the Vernon Museum as proposed under a separate cover.

6.2 Charge Out Rates

The Cost Consultant Services rates for additional work not identified herein are:

- | | | |
|---|----------------|---------------|
| • Principal in Charge | Paul Westbrook | \$200.00/hour |
| • Sr. M&E Consultant | Thilak Bandara | \$150.00/hour |
| • Team Leader / Sr. A&S Cost Consultant | Ken King | \$150.00/hour |
| • Intermediate Cost Consultant | | \$120.00/hour |
| • Junior Cost Consultant | | \$ 95.00/hour |

We have made the following assumptions in the preparation of our fee proposal:

- All hourly rates exclude taxes and disbursements
- Hourly rates are applicable until December 2014 and may be subject to annual adjustment thereafter
- Hourly rates include reimbursable expenses (travel) within the Greater Vancouver area
- Reimbursable expenses will be billed in accordance with Regional District of North Okanagan policy
- Hourly rates assume that all large scale (larger than 11" x 17") or colour documentation prepared by others and required for our work will be provided in hard copy format. Hanscomb is equipped to receive smaller scale documents in PDF format.
- Hourly rates include printing and reproduction costs for up to three copies of each of our reports, Hanscomb reserves the right to charge for time beyond these limits
- Hourly rates assume that, except as specifically noted prior to this proposal, any documentation made available by Hanscomb in electronic format will be in PDF format.

6.3 Disbursements

As a guide, Hanscomb recommends including \$250.00 for disbursements solely for this phase, which is not included in the fees noted above. All disbursements billed at cost plus 5%.

6.4 Conflict of Interest Statement

At this time, we are unaware of any actual or perceived conflicts of interest that could affect the delivery of our cost consulting services to Regional District of North Okanagan. We are aware that, from time to time, individual estimating tasks related to this assignment could require access to commercially sensitive information. As one of the province's leading professional cost consulting firms, we have ongoing working relationships with a variety of public and private sector clients on a wide range of projects. Therefore, before accepting any task, we will disclose any relevant prior or ongoing involvement for the project in question to Regional District of North Okanagan and await their decision on the matter. Further, having accepted an assignment under this agreement, we will not accept work on the same project for another client without first obtaining the approval of Regional District of North Okanagan.

Tannis Nelson

From: Kim Flick [KFlick@vernon.ca]
Sent: Thursday, September 26, 2013 9:52 AM
To: Tannis Nelson
Cc: Ed Stranks
Subject: Museum and Art Gallery Offsite Costs

Hi Tannis. Here is the information, as requested. As discussed, this information should be considered order of magnitude only. Please let us know if you have any questions or clarifications.

Museum:

There is myriad existing services to the site which the project architect will need to verify as adequate (design to) or request an upgrade. Recommended by Engineering that all services onsite be replaced to the road to prevent failure during lifespan of new building. **Replacement of existing water sanitary and storm services onsite +/- \$6000.**

32 Ave is a Collector requiring 18.5m ROW, 12m asphalt, parking both sides, curb & gutter and 2m wide sidewalk. 32 Ave is over 21m wide so no road dedication is required. Pavement width is over 16.6m so no widening is required. Concrete curb and gutter and a 1.85m wide sidewalk directly behind the curb is existing. Street light spacing appears to be adequate. **No off sites are required in 32 Avenue**

31 St and 35 Ave are local roads requiring 18.5m ROW, 12m asphalt, parking one side, curb & gutter and 1.5m wide sidewalk.

31 St is only 15.2m wide. **Road dedication of 1.64m is required (building must be setback at least this amount as per Zoning Bylaw 5000 Schedule B).** The existing building is non-conforming adjacent to 31 St and is tight to the existing property line there.

The pavement is 12m wide and sidewalk is 1.7m wide but there is no curb and gutter. Street lighting appears to be adequate. As only a portion of 31 St is adjacent to the site only that part of the road works would be required and in this case a Works contribution for the curb and gutter is recommended rather than construction. **Approximately 85m of curb and gutter c/w sidewalk and asphalt cut and restoration is required (+/- \$16,000).**

35 Ave is over 18.5m wide with 12m of asphalt curb and gutter and a separated sidewalk 1.85m wide. Street lighting appears to be adequate. Road DCC project TR10 for the Multi-use path in 35 Ave is to be on the north side of 35th therefore has no impact. **35 Ave is not adjacent to the development and no upgrades are required.**

30 St is the Polson Greenway road DCC project TR6 with a 20m ROW as per Zoning Bylaw 5000 Sched B. There is 12m of pavement with curb and gutter and a 1.85m wide sidewalk at the back of curb. Street lighting appears to be adequate. **30 Street is not adjacent to the development and no upgrades are required.**

Art Gallery (3007-3011 31 Ave)

New servicing to the site is assumed to be adequate and only capping of existing services to be abandoned is assumed as required. **Abandonment of old sanitary service +/- \$3000.**

31 Ave was rebuilt in 2011 therefore **no offsite works are required there.**

31 St is only 15.2m wide. The existing asphalt there is 11.5 m wide so a road widening of 0.25m is required. In this case a Works contribution for the widening is recommended rather than construction as the existing road ROW width is limited at this time. There is concrete curb and gutter and sidewalk 1.7m wide. Street lighting appears to be adequate. **Road dedication of 1.64m is required (building must be setback at least this amount as per Zoning Bylaw 5000 Schedule B).**

The existing building is non-conforming adjacent to 31 St and is tight to the existing property line there. **Widening of the road is estimated to cost +/- \$4000.**

Should the applicant choose to expand the building footprint in to the existing lane to the north the overhead Hydro, Tel and Communications works there would need to be relocated and existing buildings fed off the lane would need to be re-serviced from the new underground systems. Based on previous similar works investigated as part of a BC Hydro Beautification application. The works required to re-route the mains around the lane are assumed to extend back to the north south mains east of 30 St. **The cost to re-route Hydro, Tel and Communications is estimated to be +/- \$600,000.**

Kim Flick

Director of Community Development
3001 - 32 Avenue, Vernon BC V1T 2L8
Direct Line: 250-550-3594



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Tannis Nelson

From: Brett Bandy [BBandy@vernon.ca]
Sent: Thursday, September 26, 2013 4:40 PM
To: Tannis Nelson
Subject: Proposed Art Gallery Site
Attachments: 130925 Art Gallery New Facility Map.pdf

Hi Tannis,

I have confirmed the City cost of the land for the proposed new Art Gallery.

See the attached ortho map:

1. The area outlined in red has been offered as the primary site,
 - a. The area is 10,000 square feet,
 - b. The City cost to date for the land is **\$881,479**;
 - i. Note – There will still be the cost for demolition of the Flower Shop.
2. The area outlined in yellow has been offered for further expansion, or the new facility - if required,
 - a. The area is 2,500 square feet,
 - b. The City cost of the land is **\$195,750**;
 - i. Note – This does not include closing the lane and relocating any works as required.

Please let me know if you have any questions.

Regards,

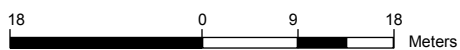
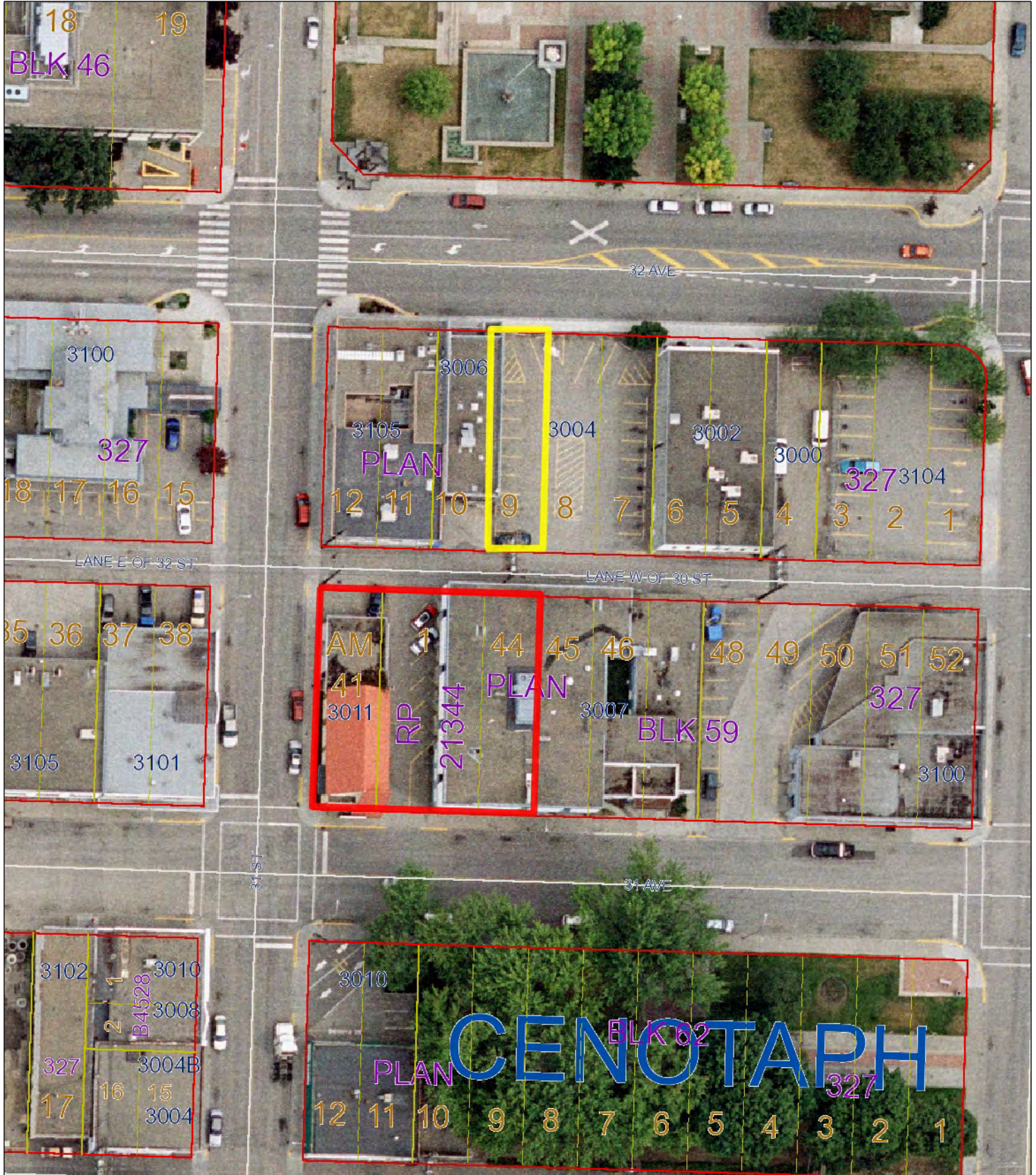
Brett Bandy

Real Estate Manager | 3400 30th Street Vernon, BC V1T 5E6 | t (250)550-3245 | c (250)260-0472



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Vernon Essentials Site



1: 725

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