



# REPORT

To: Chair and Directors

Report Number: ENV-BRD-258

From: Environmental Services

Date: December 5, 2025

**Subject: Phase 4 PRRD Administrative Building Construction Quality Control and Assurance**

---

## **RECOMMENDATION: [Corporate Weighted]**

That the Regional Board increase contract RFQ 01-2024 “Architectural Services” awarded to McElhanney Engineering Services, from \$1,240,230 to \$2,150,047, which includes Phase 4 deliverables such as construction oversight, quality control and quality assurance; further, that the Chair and Chief Administrative Officer be authorized to sign the amended contract on behalf of the Peace River Regional District.

## **BACKGROUND/RATIONALE:**

On November 16, 2023, the Regional Board approved the following resolution in a closed meeting:

*MOVED, SECONDED and CARRIED,*

*That the Regional Board authorize the initiation of the procurement process to hire an Architectural firm to support the phased approach of acquiring a new PRRD Dawson Creek Administrative Office through the investigation of land, the design, the construction, and the quality assurance and control of the project with contract award and funding allocation be completed through the 2024 Financial Planning process.*

In April 2024, McElhanney Engineering Services was procured, through RFQ 01-2024, to provide the following deliverables upon phase acceptance of the Regional Board:

1. **Phase 1:** Suitability assessment of the land located at 1001 105<sup>th</sup> Avenue Dawson Creek for the proposed construction of a new Peace River Regional District (PRRD) Administrative Office Building.
2. **Phase 2:** Upon acceptance of Phase 1 data, the PRRD will enter into negotiations with the City of Dawson Creek for acquisition of the land.
3. **Phase 3:** Supplier shall proceed with the detailed design, integrating the PRRD’s specifications, encompassing architectural, structural, civil, electrical, and mechanical aspects, along with the construction cost estimations. Tender documents and support during the tendering phase are integral components of this phase.
4. **Phase 4:** Supplier will provide construction oversight and quality assurance and control services (QA/QC).

On August 15, 2024, the Regional Board approved the following resolution:

*MOVED, SECONDED and CARRIED,*

*That the Regional Board initiate Phase 3 of the PRRD Office Building Design and increase the contract RFQ 01-2024 “Architectural Services” awarded to McElhanney Engineering*

*Services, from \$54,918 to \$1,240,230, which includes Phase 3 deliverables such as detailed design encompassing architectural, structural, civil, electrical, and mechanical aspects, along with the construction cost estimations and preparation of construction procurement documents; further, that the Chair and Chief Administrative Officer be authorized to sign the amended contract on behalf of the Peace River Regional District.*

On November 20, 2025, the Regional Board approved the following resolution:

*MOVED, SECONDED and CARRIED,*

*That the Regional Board authorize initiation of Phase 2 of the PRRD Administrative Office Replacement Project, which includes entering into land negotiations with the City of Dawson Creek to acquire the land located at 1001 105<sup>th</sup> Avenue in Dawson Creek, and development of more detailed architectural drawings for the new Administrative Office; further; that a confidential letter be sent to the City of Dawson Creek's Mayor and Council requesting that the City enter into negotiations with the Peace River Regional District for the sale of the property located at 1001 105<sup>th</sup> Avenue in Dawson Creek to the Regional Board.*

As such, Phase 4 of the original contract award is for McElhanney to provide construction QA/QC for the awarded construction. The contract increase will include all the necessary work to ensure the construction of the new PRRD Administrative Building is completed as per the design.

Construction for the new building is scheduled for spring 2026 with completion estimated for the end of 2027.

### **ALTERNATIVE OPTIONS:**

1. That the Regional Board provide further direction.

### **STRATEGIC PLAN RELEVANCE:**

- Asset and Infrastructure Management

### **FINANCIAL CONSIDERATION(S):**

The contract spend to date as of November 24, 2025 is \$1,202,230 leaving \$38,000 to carry forward into Phase 4.

The estimated cost of Phase 4 engineering was 10% of the construction costs inclusive of the 20% contingency totaling \$1,702,316. The actual quoted price for the required engineering/architectural QA/QC for the construction of a new administrative building is \$947,817. Less the carry forward, this brings the total contractual increase requirement to \$909,817 for a total contract value of \$2,150,047.

Upon approval, the following is a summary of anticipated costs for the full construction of the administrative building:

Phase 1-4 Engineering/Architectural: \$2,150,047

Construction Award: \$14,185,966

Construction Contingency: \$2,837,193.20

Total Amount Budgeted: \$19,173,206.20

Table 1. Cash Flow for Administrative Building Construction

<b>Approved Revenue Sources*</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Capital Requisition	\$543,785	\$170,770			
Capital Surplus	\$1,163,880	\$1,518,180	\$2,786,643	\$1,854,680	
Capital Reserve		\$2,631,579	\$5,314,939		
Reserve Allocation		\$524,237	\$534,721	\$545,416	\$556,324
BC Hydro Funds		\$825,422	\$3,000,000	\$1,912,000	\$1,912,000
Rural Loan Fund				\$3,839,257	
<b>Total Revenue</b>	<b>\$1,707,665</b>	<b>\$2,514,372</b>	<b>\$11,636,303</b>	<b>\$8,151,353</b>	<b>\$2,468,324</b>
<b>Expenses**</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>
Procurement Assistance	\$300				
McElhanney Phase 1	\$52,003				
McElhanney Phase 3	\$313,564	\$874,663			
McElhanney Phase 4 est.			\$496,264	\$413,553	
Construction Firm			\$9,285,359	\$7,737,800	
<b>Total Expenses</b>	<b>\$365,867</b>	<b>\$874,663</b>	<b>\$9,781,623</b>	<b>\$8,151,353</b>	
Total Balance to Carry Forward	\$1,341,798	\$1,639,709	\$1,854,680		

\* Revenue sources are conservative estimates as interest and alternative funding opportunities, such as additional surplus, have not been considered.

\*\* Expenses are broken out based on a 22-month construction period. Payment structure will likely differ during construction.

### **COMMUNICATIONS CONSIDERATION(S):**

None at this time.

### **OTHER CONSIDERATION(S):**

The McElhanney Engineering Services/Architectural Services contract includes phase start and stop aspects. To move from one phase to another, acceptance is required by the Regional Board. During Phase 4 construction of a new PRRD Administrative Building will be completed. Phase 3 of the contract deliverables included the compilation of the procurement documents for construction which is now considered closed as procurement of a construction firm was completed on November 20, 2025.

This contract award does not include additional budgeted contingency.