

Town of Whitby

Staff Report

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Report Title: Single Source Contract Award for Design Services for the New Whitby Fire Station

Report to: Committee of the Whole

Date of meeting: May 5, 2025

Report Number: FS 26-25

Department(s) Responsible:

Financial Services Department
Community Services Department

Submitted by:

Fuwing Wong, Commissioner, Financial Services & Treasurer
John Romano, Commissioner, Community Services

**Acknowledged by M. Gaskell,
Chief Administrative Officer**

For additional information, contact:

Christine Wood, Senior Manager,
Procurement & Risk

Catherine Bridgeman, Director, Facilities
Brad Collard, Capital Project Manager

1. Recommendation:

1. That staff be authorized to award a single source contract to Thomas Brown Architects for the detailed design of the New Whitby Fire Station, in the amount of \$942,185 plus HST, funded from capital project # 71231201 - FH6 - New Construction; and,
2. That a 2025 capital project be approved for the construction of Fire Hall 6, in the amount of \$17,000,000, funded from internal borrowing between Development Charges reserve funds as outlined in Staff Report FS 26-25.

2. **Highlights:**

- It is recommended that Thomas Brown Architects (“**TBA**”) be provided a single source award contract for the detailed design of Fire Hall 6;
- Based on this award and the methodology outlined in this report, the anticipated construction completion of the new fire hall is Summer, 2027 (or approximately six to eight months earlier than other design/construction options considered).
- In order to be able to tender for construction in 2025, following completion of detailed design, it is recommended that a capital project for the construction of Fire Hall 6 be approved in the amount of \$17,000,000 and funded from internal borrowing between Development Charges reserve funds;
- The uncommitted balance in the Fire Services Development Charges reserve fund is currently at approximately \$1,000,000 so the Fire Hall construction project will temporarily borrow from the Development Charges reserve funds intended for other service areas (e.g., Roads, Parks). This will result in the deferral of other growth-related capital projects planned in the Town's 10-year capital forecast.

3. **Background:**

The Master Fire Plan identified a need for a new station to address the response times to the increased development of residential, commercial, and industrial construction in West Whitby.

In 2023 Whitby and Oshawa were the busiest Fire Departments in the Region with Whitby responding to 6771 calls. The Design and Construction of the New Whitby Fire Station will address compliance with response times as per NFPA 1710.

The Town’s Procurement Policy F 080 (Schedule C) provides for instances when the Town may have limited tendering and single-source contract awards

4. **Discussion:**

Key considerations for delivery of this project include Schedule, Quality, and Budget:

Schedule

Acknowledging the Town is currently in the process of hiring 20 firefighters for a new fire hall and to improve response times for West Whitby, several project delivery methods were considered and analyzed for the design and construction process. Staff examined three options including:

1. Design-Build;
2. Design-Bid-Build; and,
3. Direct award with expedited Design-Bid-Build.

The Design-Build method requires a Compliance Architect to be retained by the Owner to develop output specifications for the project (contract documents) and to monitor compliance during the design build phase. A design-build firm comprised of a separate Design Architect working as a sub-consultant to a General Contractor is contracted for a fixed price to design and build the project based on the output specifications. Based on standard process timeframes for procurement of the Compliance Architect, prequalification for Design-Build firms, and tendering, the estimated total completion for this method is **December 2027**.

The Design-Bid-Build method is a linear process where an Architect is retained by the Owner as the Prime Consultant to provide the design, tender documents, and contract administration services. A General Contractor is contracted for a fixed price to build the project. Based on standard process timeframes for procurement of the Prime Consultant, design, General Contractor prequalification, and tendering, the estimated total completion for this method is **April 2028**.

The Direct award with expedited Design-Bid-Build method is essentially the same as Design-Bid-Build with expedited timeframes for procurement of the Prime Consultant and the design process. Based on the expedited timeframes, the estimated total completion for this method is **July 2027**.

Design Process and Quality

Leveraging the expertise of TBA, Ontario's leading architecture firm specializing in fire station design, ensures that the project is informed by the latest trends in the field. In the proposed model, The Project Team (Facilities /Fire and Emergency Services) will develop a functional program outlining the requirements of the building, which will be shared with TBA along with the budget to be used as the basis of the design. This will eliminate several phases of the traditional Design-Bid-Build process while maintaining quality control throughout the design and construction phases.

Budget

Streamlining the design consultation for the station enhances efficiency and lowers costs. Advancing quickly to construction while ensuring clarity regarding expenses and timelines is essential to mitigate potential budgetary risks.

Based on the evaluation and project specific requirements, Staff recommended proceeding with the direct award expedited Design-Bid-Build approach and a single source contract award for prime consultant services to Thomas Brown Architects.

The recommended approach of direct award expedited Design-Bid-Build will reduce the amount of time for procurement of the prime consultant by approximately three months and reduce the time required for design by approximately six months. Based on this approach, the estimated completion of the New Whitby Fire Station is Summer, 2027. Expediting the project timeline will ensure the New Fire Station is operational as soon as possible, providing much-needed accommodation for the newly hired firefighters and enabling the Town to improve critical services for the community.

Procurement Policy

The Town's Procurement Policy F 080 (Schedule C) outlines when the Town may have limited tendering and single source award a contract. As it relates to the proposed award to TBA, the following rationale in the Policy would apply:

Schedule C - (f) In situations of extreme urgency to limit the Town's ability to or meet contractual timelines due to unforeseen circumstances.

- The Master Fire Plan identified a need for a new station to address the response times due to the increased development of residential, commercial and industrial construction in West Whitby.
- The Town has hired 20 New Fire Fighters to support the New Fire Station, these Fire Fighters will be temporarily housed at Station #4 until the completion of the New Station.
 - The expedited design and construction of the New Whitby Fire Station supports the NFPA 1710 Level of Service requirements for the rapid growth of West Whitby.

Schedule C - (j) The expertise of an individual organization or individual is deemed specifically required by the municipality.

- Thomas Brown Architects (TBA) has extensive experience in the design and construction of fire stations and emergency service facilities (over 100+ fire stations). TBA has a strong connection to the Durham Region and the Town of Whitby. They have completed fire stations recently in Pickering and Oshawa and were the prime consultants for Whitby stations 1,3,4 and the addition to 5.
- TBA's expertise in fire station design will significantly accelerate the design process. The approach involves utilizing an existing building with identical program requirements as a foundation and modifying it to align with the Town of Whitby's sustainability goals and the specific conditions of the project site.

5. Financial Considerations:

Based on the proposal provided by Thomas Brown Architects, for the engineering fees for detailed design and technical review, staff recommend awarding the single source award amounting to \$942,185 (plus HST). The detailed design costs will be funded from project 71231201 approved through the 2025 capital budget process. As shown in Table 1, below, Capital Project 71231201 has a budget of \$2,300,000 which is funded from Fire Services Development Charges:

Table 1

Project Breakdown		
Total Approved Budget 71231201 - FH6 - New Construction		\$2,300,000.00
Recommended Award to TBA	\$942,185.00	
Contingency	\$200,000.00	
HST	\$148,484.05	
Total Contract Amount	\$1,290,669.05	
HST Rebate (Non-ITC)	(\$128,381.59)	
Other Project Costs		
Surveys / Studies & Reports	\$127,200.00	
Design Cost Estimate		\$1,289,487.46
Projected Budget Surplus		\$1,010,512.54

As shown in Table 1, above, the Design Cost Estimate is projected to be \$1,289,487.46 (inclusive of the proposed award, contingency, and other design project costs). This results in a projected budget surplus of \$1,010,512.54 which will be used for the construction portion of the new fire hall project.

Construction Capital Project:

It is anticipated that detailed design will be completed in 2025. To allow for the construction tender and potential award of a construction contract in 2025, it is recommended that a capital project for the construction of Fire Hall 6 be approved in the amount of \$17,000,000 and funded from Development Charges reserve funds. The \$17 million is a high level estimate at this time and includes a provision for potential tariffs on construction materials and a provision for furniture, fixtures, and equipment.

The uncommitted balance in the Fire Services Development Charges (“DC”) reserve fund is currently at approximately \$1.1 million so the Fire Hall construction project will temporarily (internally) borrow from the Development Charges reserve funds for other service areas (e.g. Roads, Parks). **This will result in the deferral of other growth-related capital projects planned in the Town’s 10-year capital forecast.**

In lieu of internal borrowing (from other DC reserve funds), this project could proceed via external debt. However, it is not recommended that the Town proceed with external debt-financing of Development Charges/Growth-related capital projects at this time as the Town is currently experiencing low development growth/low DC revenue inflows due to the state of the economy and electricity distribution constraints. Accordingly, DC revenue inflows may not be sufficient to cover debt servicing costs (i.e. principal and interest payments) to a financial institution for a number of years. If the Town borrowed funds externally and DC revenues could not fully service the debt payments, the Town may be required to use tax dollars to supplement the fixed debt payment obligations.

To illustrate this point, Staff projected that debt servicing costs on a \$17 million debenture to fund the new Fire Hall construction to be \$1.6 million per year. Based on historic DC revenue inflows for Fire services, DC revenues alone would be insufficient to service the annual debt payments:

- the Town’s 2021 and 2022 DC revenues exceeded \$40 million per year. Of this amount, an average of \$1.4 million per year was collected/allocated to the Fire DC Reserve Fund.
- In 2023 and 2024, DC revenues dropped to \$9 million and \$18 million, respectively. The corresponding DC revenues from 2023 and 2024 allocated to the Fire DC Reserve was \$0.2 million and \$0.4 million, respectively.
- Annual debt servicing costs (i.e. principal and interest payments) on a \$17 million loan for the Fire Hall construction would be approximately \$1.6 million per year (assumed 6.95% interest, 20 year term)

The above analysis shows that DC revenue inflows (resulting from development/growth within the Town) would need to exceed \$43 million a year, a level not experienced by the Town in the last four (4) years, in order to have sufficient Fire DC Revenues to service a \$17 million debenture. Further, if all DC inflows were used to service this debt, this will not leave much Fire DC reserves remaining to purchase growth-related fire vehicles or to fund the next fire hall (Fire Hall #7).

6. Communication and Public Engagement:

N/A

7. Input from Departments/Sources:

The Facilities Division of the Community Services Department has worked closely with the Whitby Fire and Emergency Services (WFES), and Financial Services in the development of this project

8. Strategic Priorities:

The recommended approach of direct award expedited Design-Bid-Build will reduce the amount of time for procurement of the prime consultant by three to four months and reduce the time required for design by an additional three to six months. Expediting the project timeline will ensure the New Fire Station is operational as soon as possible, to address and advance the following Community Strategic Priorities:

Whitby's Neighbourhoods – Safe, Healthy, & Inclusive

1.1.5 Review and plan for fire services to address growth of community

Begin implementation of recommendations of the Fire Master Plan

Proceeding with the recommended approach allows for the Town to move forward with the expedited design for the new fire station enabling the Town to improve critical services for the community.

9. Attachments:

N/A