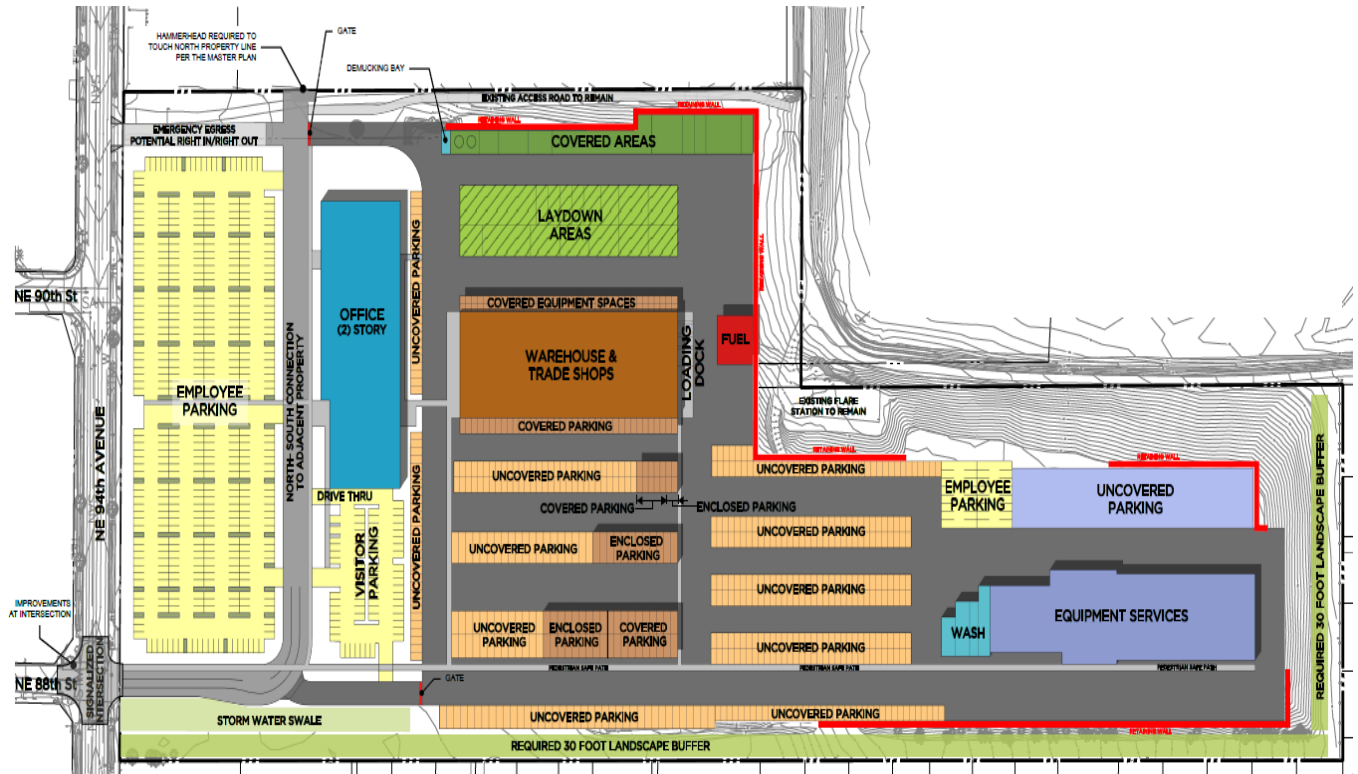




PROJECT POLICY CHARTER

New Public Works Operations Center Project #PRJ083491



This page is intentionally left blank.

Table of Contents

1. Purpose/Executive Summary	1
1.1 Project Purpose and Need Statement	1
1.2 Project Description.....	1
2. Project Development Information	1
2.1 Initiate and Align	1
2.1.1 Project Background/History/Site Selection	1
2.1.2 Visions and Values	2
2.1.3 Project Goals	3
2.1.4 Project Governance: Objectives, Authority and Responsibilities, Operating Guidelines	4
2.2 Project Baseline.....	5
2.2.1 Project Initial Scope: Site Specific Concept Plan	6
2.2.2 Project Initial Schedule Development: Site Specific Concept Plan	6
2.2.3 Preliminary Cost Estimation & Budget Development: Site Specific Concept Plan	7
2.2.4 Preliminary Funding and Financing Plan and Assumptions	7
2.3 Constraints and Areas of Focus.....	7
2.3.1 Constraints	7
2.3.2 Areas of Focus	8
3. APPENDIX - Associated Documents	8
4. REFERENCE DOCUMENTS.....	8
5. Approval Signatures	8

Project Charter Document History

Date	Document Title	Version #
9/10/2021	Project Policy Charter	1

This page is intentionally left blank.

1. Purpose/Executive Summary

This Project Policy Charter establishes and memorializes the project expectations for the City of Vancouver Public Works Department's New Operations Center. This document serves to define the visions and values as well as governance structures that will synchronize key City of Vancouver (City) strategic policies and goals across project development. A separate Project Delivery Plan will govern design and execution of the project once the Project Policy Charter is approved.

1.1 Project Purpose and Need Statement

The City of Vancouver Public Works Department is responsible for providing essential infrastructure and services for water, sewer, streets, bridges, traffic signals, street lighting, grounds maintenance, facilities, fleet services and surface water management, including the administration, engineering and operational support of these services.

The City of Vancouver Public Works Operations Center is the maintenance hub for providing these essential public services for the City of Vancouver and the surrounding urban area. Existing facilities are inadequate to serve the current and forecasted population, are vulnerable to moderate seismic events and do not meet current minimum building code standards. The existing Operations site at Fourth Plain Blvd and General Andersen cannot be efficiently or economically restructured to meet present and future needs.

The purpose of the New Operations Center Project is to meet service levels for public works, provide efficiency of operations, modernization of services, and serve as an Emergency Operations Center (EOC). Development and use of the new Operations Center will achieve multiple City of Vancouver policy and strategic planning objectives.

1.2 Project Description

This project will build a more accessible, sustainable, and resilient operations center in a strategic location to serve the current and future City of Vancouver. It will relocate and consolidate the Public Works Department as, well as the Vancouver Fire Department Fleet Services, to a suitable "green field site" (an undeveloped property). Services are anticipated to be provided for 50 years from the new site. A separate project will craft a redevelopment strategy for the existing Fourth Plain site in support of the applicable subarea plan. This project requires Planning, Land Acquisition, Contracting, Design, Permitting, Construction, Relocation and Management of a new Public Works Operations Center.

2. Project Development Information

2.1 Initiate and Align

2.1.1 Project Background/History/Site Selection

The existing City of Vancouver Public Works Operations Center complex location is inadequate to meet current and future populations and is at the end of its useful life. The complex is also on a site that will be vulnerable to damage from a moderate seismic event. This would limit the availability of critical public services to support and enable emergency cleanup and recovery efforts after a seismic event.

Public Works administration, streets and traffic, grounds, greenway maintenance functions, fleet services, warehouse, facilities maintenance, utility operations, customer service and some engineering are housed at the existing Operations Center. Additional Public Works administration, construction, engineering, utility, finance, materials storage, property management and asset management groups are scattered at various sites around the city.

A 2018 analysis determined that the existing site was not suitable to redevelop. The most appropriate alternative was to relocate operations to an undeveloped “green field site.” The existing site was determined infeasible for redevelopment into a resilient operation center due to the following:

- Seismic Deficiencies, including high liquefaction risk
- Zoning Conflicts
- Public Street Bi-Section of Site
- Construction phasing challenges while maintaining continuous operations
- Cost to redevelop significantly exceeding cost to develop on a new site: 2018 Cost Estimate - \$160 Million (in 2021 Construction \$)

A preliminary program and cost estimate for a new Operations Center were developed in June 2018 with an initial target start construction date of 2021. The preliminary program accounted for future expanded service to approximately 1/3 of the currently unincorporated Vancouver Urban Growth Area (UGA), in addition to the existing City of Vancouver. In 2020, a new site was acquired, and site-specific concept planning and design development began.

2.1.2 Visions and Values

Delivering a New Public Works Operations Center achieves many of the current policy and strategic planning goals of the City of Vancouver, which have been previously identified by City Council. This is an opportunity to build a project that addresses a holistic set of Council and community goals.

Project Vision:

Building a more accessible, sustainable, resilient operations center to serve the current and future City of Vancouver.

Project Values:

Assure the project is in alignment with strategic goals, policies, and planning for the City of Vancouver.

Four primary planning areas for this project are:

- **Resilience and Safety** recognizing the role of Public Works as an essential service hub and the need for resiliency, flexibility and future-readiness.
- **Environmental Sustainability** demonstrating climate leadership and stewardship for the community.
- **Equity and Inclusion** with consideration of local and regional impacts of project and improving the resilience and safety of the community.
- **Capital Planning, Asset Management and Financial Policies** offering consistency with current and long-term financial and capital planning/asset management City policies for project financing and funding.

The primary planning areas will be used as screening criteria and performance measures for design options and shape both the approach and scope of the project.

2.1.3 Project Goals

These project goals will be developed, as feasible within the project budget, into project metrics and project deliverables, which will be documented in the Project Delivery Plan. The project metrics and project deliverables demonstrate policy in action.

Project Goals: Resilience and Safety

- Fully operational status after major seismic/weather events
- Continuity of Operations and scalable response capabilities
- Operations Center supports efficient delivery of all services
- Operations Center is right-sized to provide safe and functional use of space
- Flexibility to accommodate and adapt to future needs
- Improved resiliency through multiple energy sources and site infrastructure to meet regular, peak demand and emergency response operational functions

Project Goals: Environmental Sustainability

- Align with overall City environmental strategy and City Green Building Policy
- Inclusion of electric vehicle (EV) support infrastructure
- Establish design approach and a target date for carbon neutrality for energy usage of the campus based on required operations and available cost-effective technology
- Include energy and facility features that optimize sustainability and resiliency
- Buildings demonstrate an enhanced level of sustainable construction material utilization and/or performance over standard construction; targeting EnVision framework and rating criteria
- Focus on heat island reduction, native plantings, and enhanced tree canopy, where appropriate
- Update equipment and systems to current standards and best practices during cyclical renewals
- Partnerships with utilities for sustainable practices
- Waste minimization during construction

Project Goals: Equity and Inclusion

- Enhance an equitable economy through contracting approaches
- DBE/WBE target goal for construction
- Workforce development and Apprenticeship goals to support living wage job growth
- Outreach to local businesses regarding contracting opportunities

Project Goals: Capital Planning/Asset Management and Financial Policies

- Document project benefits and align with policy goals
- Life-cycle cost management: optimize capital outlay, equipment & long-term maintenance expenses
- Application of climate sustainability and equity practices
- Utilize Lean Construction practices and Target Value Delivery to maximize project efficiency

2.1.4 Project Governance: Objectives, Authority and Responsibilities, Operating Guidelines

2.1.4a Objectives

The project governance objectives of the New Operations Center project policy charter are to:

- Assure on-going alignment with policymaker expectations in development and execution of the project
- Provide clear and comprehensive executive ownership and oversight of the project and any associated activities having an influence on project delivery
- Offer efficient change management and a means for issue escalation
- Ensure coordinated management and expectations from the project team up to City Council

2.1.4b Authority and Responsibilities

City Council

RESPONSIBILITIES: Provides policy direction and authority.

ACTIONS: Approval of concepts and Level of Service, Funding/ Financing, and oversight of community engagement. Engagement on project alignment with policy charter through concepts, Level of Service, and cost/benefit evaluations will be held at 30% and 60% design; with review of overall project at 90% design.

Executive Sponsors Committee

City Manager, Deputy City Manager, Chief Financial Officer, and Public Works Director

RESPONSIBILITIES: Provide executive level oversight to align with organization-wide objectives. Provide oversight in context of Citywide policies, services and performance. Assure project delivery meets goals and metrics.

ACTIONS: Approval of overall concepts and high level scope elements; monitoring of project budget, contingency and scope; adherence to project goals and risk management strategies. Bridge and facilitate support for project across city departments. Approval of recommendations to Council on project budget changes; alignment with charter through concepts and Level of Service.

Management Team

The Public Works Director, Operations Manager, and the General Services Director are the Project Sponsors.

The management team includes the Public Works Director, General Services Director, Operations Manager, Construction Manager and City Engineer. The Public Works Finance and Asset Manager as well as the Streets and Transportation Manager will be engaged as needed for management decisions.

RESPONSIBILITIES: Determine scope for project in terms of complex elements, equipment and staffing as well as level of service. Ensures that preferred options meet the project metrics/purpose and need statement within available budget. This team is responsible and accountable to make decisions and apply resources to solve problems that arise beyond the typical day-to-day management of the project.

ACTIONS: Review of major milestone plan sets from both technical and practical perspectives. Provide input on large scope/budget design decisions that are of a subjective nature and/or develop decision making processes for these project elements. Support the project within respective divisions and assist with change management for staff. Filter input from staff regarding work/site needs through decision making matrices. Support the project as needed through public outreach, public input and City Council workshops.

Operations Advisory Committee

City of Vancouver Managers from operations, utilities, fleet, facilities, IT and construction

RESPONSIBILITIES: Provide the user/practitioner expertise and input to project design and delivery.

ACTIONS: Input on programmatic elements, project specific needs and direction on how these elements and needs will support delivery of services.

Project Delivery Team

RESPONSIBILITIES: The Project Delivery Team provides management of working-level activities. The project delivery team is a multi-discipline team, both with internal and consultant members, in charge of the final project delivery.

ACTIONS: Define the major phases of each constituent project element/area. Develop scoping, scheduling and budgeting management documents, create program and project level deliverables, run the procurement selection processes for design and construction contractors, and manage the day-to-day planning, design, engineering, permitting, progress review, and construction efforts for the successful delivery of the project into operation.

Additional peer review teams and focus groups, working with the Project Delivery Team, may be developed under the Project Delivery Plan.

Technical Advisors

Advisors, external to the City, who have finance, construction and facilities industry experience. Advisors will be drawn from expertise represented on existing city boards and commissions, such as the Downtown Redevelopment Authority, municipal peers and/or other private sector representatives with relevant project experience.

RESPONSIBILITIES: Offer opportunities and expertise to validate and stress-test project assumptions.

ACTIONS: Review, meet and discuss the 30/60/90% designs. Provide input to project design regarding constructability and functionality.

2.1.4c Operating Guidelines

Operating Guidelines, a more detailed charge from the Responsibilities above, will be provided in the Project Delivery Plan for each committee and team. Generally, each committee or team acts as an advocate, expert and/or executive decision maker for the function they represent.

2.2 Project Baseline

The project baseline is the result of the master planning efforts and site-specific concept plan. The project design and construction will build from this baseline, applying the established visions and values, project goals and governance provided in the project policy charter. **The current project cost estimate and project budget is based on the project baseline (developed in 2020). Known scope and budget areas that require updating since the baseline was completed are identified below. These areas will be addressed during an early project design validation task.**

2.2.1 Project Initial Scope: Site Specific Concept Plan

- Space is developed with existing and projected future needs, City Standards and national best practices from Public Works Departments. Buildings are simple in layout and function for efficiency and flexibility.
- Designed to “No Collapse, Fully Operational” criteria for seismic response, as appropriate for each specific building or structure, including all building systems.
- Service life of individual facilities and building systems will be typical life cycle, assuming cyclical renewals.
- Finishes are industrial or mid-range, as applicable.
- Buildings (approximately) at LEED certified or 1 Globe/Green Globe Program (note, Council goals have been updated to a higher level of sustainability since the baseline was established. The project budget and scope require updating to address the newer goals)

Public Works Operations Center Campus

Administration Office Building

Warehouse/Trade Shop Building

Fleet Services Building (merged with Fire)

Fuel Station

Wash Station

Laydown areas (materials)

Covered storage (materials)

Uncovered and covered parking

Frontage improvements including a new traffic signal and turn lanes

Enhanced landscaping and low impact development stormwater management features

Staffing

Staff to be relocated include the operations and maintenance divisions, construction division, streets & transportation division, Public Works finance & asset management, Public Works administration and fire fleet/fleet services.

The campus is designed for 410 employees in the baseline project. The staff estimation was developed based on annexing and servicing the existing complete water/sewer system area. This is an expansion of 20.45 square miles from current City of Vancouver limits, which requires additional staffing and equipment for streets and transportation; grounds, greenways and stormwater; administration. Staffing projections increase only 28% over 2020 current staffing levels, while the expansion of service area increases approximate 40%. This can be attributed partially due to the existing operations and maintenance teams, water and sewer, already sized for full utility service areas. Service expansion (utility) growth area as the nexus for staffing will align the proposed rate increase for the bond payment with the customer base.

Space needs that require further review (as of 2021) include considering potential expansion of Parks and landscape maintenance staffing and level of service, Urban Forestry, engineering and capital project delivery staffing, and evolution of space needs based on hybrid remote/in-person work.

2.2.2 Project Initial Schedule Development: Site Specific Concept Plan

The preliminary schedule utilizes typical phase durations based on scope of work, permitting and needs of the project - assuming a linear and sequential process through planning, design, permitting and construction.

Touchpoints for committees, technical advisory, focus groups, council updates, financing and public engagement are incorporated.

Major Milestones are highlighted below:

- 2021 Project Policy Charter
- 2021 Design RFQ/Design Contract
- 2022 30% and 60% Design
- 2023 Permitting
- 2023 90% and Final Design
- 2024 Bidding/Construction Start
- 2025 Construction Ongoing
- 2026 Construction Completion
- 2026 Relocation to New Site

2.2.3 Preliminary Cost Estimation & Budget Development: Site Specific Concept Plan

In 2018 a concept estimate for a generic “green field site” was developed with a target of 2021 as the start year of construction. That total project cost estimate was approximately \$126 Million (2021 \$). That analysis also included escalation to 2024 (the currently programmed construction start year) which yielded a total project cost estimate of \$136 Million (2024 \$). The 2020 updated site-specific concept plan total project cost estimate was \$132 Million (2024 \$). The \$4 million reduction between 2018 and 2020 was the result of further refinement of the master plan and development of a concept plan. Escalation and contingencies applied were consistent with current, at the time, market and industry standards.

2.2.4 Preliminary Funding and Financing Plan and Assumptions

The project delivery assumes a funding/financing split commensurate with the project ownership: 60% of funding and debt service will be supported by the benefiting utilities (water, sewer, drainage, garbage) and 40% will be supported by the general fund.

The project assumes a combination of cash and debt financing, with debt supported proportionate to project ownership by current and projected utility rate revenue (60%) and general fund tax revenues (40%). General fund tax revenues have been identified and earmarked to support this project.

Cash reserves funded the property acquisition, and will fund project planning, project design development, permitting and final design construction documents. A general obligation bond and a utility revenue bond will be issued for the cost of construction. Bond repayment duration will be based on market conditions and financing needs and is anticipated at 20-25 years.

Grant funding opportunities, particularly for facilities that support resiliency, will be pursued where feasible.

2.3 Constraints and Areas of Focus

2.3.1 Constraints

As a condition of the property sale, the new Public Works Operations Center must comply with an existing approved site Master Plan completed by Clark County prior to the City’s interest in the site. Ongoing confirmation will be required during design that the proposed site development works with all the necessary program elements in context of the existing Master Plan. The project is limited to the acquired parcels at the site and constrained by the associated easements, covenants and property/purchase agreements. The project is

also constrained by legal and regulatory limits (environmental regulations, Statutes, etc.). This Project Policy Charter serves a boundary document for the project.

2.3.2 Areas of Focus

Escalation and Project Schedule – There is currently an unprecedented material and labor shortage as well as global supply chain challenges that have pressed construction costs to a high level of unpredictability. Project schedule extensions and delays will result in direct cost increases due to the natural pace of construction escalation, in addition to the unpredictability noted previously. For this project, **each year of delay could equal \$7,000,000 in increased construction cost**, assuming only a standard 6% rate of escalation.

Scope and Budget – As discussed above, there are elements of the Project Baseline and Budget that require updating to fully align with newer City and Council goals. In particular, these include sustainability approaches and future space needs for changed levels of service and capital program delivery.

Project Partnerships – Actively seeking out opportunities for partnerships, targeting utilities and service providers, for alignment of project goals with agency opportunities and capabilities. Depending on the existing infrastructure of the service provider and the site needs, the project may need to augment or fully pay for additions to their capital program. Alternatively, the site functions may need to be phased in as the utilities and service providers build out their capacities and customer programs. Project partnerships within City projects and programs may also be explored.

Future thinking – This area of focus offers a lens for review of project scope and components for both short- and long-term range of performance. This includes scale, life cycles and proactive discussion of anticipated reasonable future requirements.

3. APPENDIX - Associated Documents

Clark County Master Plan, Past Operations Center Redevelopment Alternatives Analysis, Site Specific Concept Plan and Basis of Design document

4. REFERENCE DOCUMENTS

Reference documents include City of Vancouver Policies and Strategic Plans, current as of signature date; and Past City Council Workshops

5. Approval Signatures

By approval of this Charter at City Council, Council members are providing their approval of the document. The Signatures of the additional people below document acceptance and approval of the formal Project Charter. The Project Sponsors have authority to commit the organization’s resources to the project. The Project Manager is empowered by this charter to proceed with the project as outlined in the charter.

Position / Title	Name	Signature	Date
City Manager			
Deputy City Manager			
Chief Financial Officer			
Public Works Director			
Operations Manager			

