

Staff Report to the Planning & Protective Services Committee  
Meeting of Wednesday, February 22, 2006

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**SUBJECT: Section 20(3) Funding Request – Sooke Elderly Citizens Housing Society**

**PURPOSE/ISSUE:**

Increased funding for the Sooke Elderly Citizens Housing Society's residential care and assisted living proposal.

**HISTORY /BACKGROUND**

Last month the Committee approved \$10,000 in recoverable funding to the Sooke Elderly Citizens Housing Society for their proposal for 30 complex care and 10 assisted living units under the current Vancouver Island Health Authority's (VIHA) Request for Proposals.

A number of things have changed since the January meeting. The first is a change in the method of procuring the construction contract. The assumed method was a design/build contract with the contractor responsible for both design and building and all associated costs. This was the method in the Society's 2003 proposal under the Federal/Provincial Assisted Living program. The Society's proposal was rejected by VIHA and BC Housing which left the design/build contractor unpaid for most of their costs. The design/build method has a number of variations but this one had the design/build contractor covering the costs of design and planning on their own and recovering them on approval of project financing.

Until the week of February 6<sup>th</sup>, it had been assumed that the former (unpaid) design/build contractor would be retained and the process would repeat itself on this proposal. This is not the case. The former design/build contractor does not want to carry the risk of the planning and preliminary design costs but is prepared to be retained as the construction manager. This means that the Society will be responsible for the costs to prepare the schematic building design and cost estimates required under the VIHA RFP. These costs would include:

TABLE 1: Summary of Funding Request	
Architectural Schematics	\$40,000
Environmental	2,500
Geotechnical	2,500
Quantity Survey	3,000
Property Appraisal	3,000
Expenses & Contingency	2,000
<b>Total</b>	<b>\$53,000</b>

As in the previous report, the Society has very limited financial ability to cover the costs of the design and planning for the proposal. It lost \$15,000 on the 2003 proposal, has no discretionary funding and no other source of funding available in the time of the RFP time frame (closing March 28, 2006). In addition, a grant application by the District of Sooke to the Union of BC Municipalities, part of which was intended for the Sooke Elderly Citizens Housing Society, has not been confirmed and may not be confirmed in the RFP time frame.

**ALTERNATIVES:**

The Society has no alternative sources of funding for the development of the proposal.

**FINANCIAL IMPLICATIONS:**

Funds are available in the 2006 Section 20(3) Budget and subject to approval of the Society's proposal, the funding would be repaid to the District.

**SUMMARY/CONCLUSIONS:**

In response to these recent changes and the very short time frame in the RFP, additional funds are needed immediately. The costs of preparing the schematic design and the related consultant costs are estimated at \$53,000. The previous \$10,000 covers the lead project management consultant costs. The Sooke Elderly Citizens Housing Society has the only realistic proposal and has an outstanding commitment (October 2005) from VIHA for 20 assisted living units. Every indication is that the Society's proposal will be approved. As in last month's approval, the increased funding (\$63,000) will be recovered from the proceeds of the approved project financing.

**RECOMMENDATION:**

That Committee approve an additional \$53,000 to a total of \$63,000 from the Section 20(3) Budget for the Sooke Elderly Citizens Housing Society for the purpose of submitting a residential care/assisted living proposal to VIHA, which upon approval of project financing, would be repaid to the Capital Regional District.

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Acting C.A.O. Concurrence

COMMENTS: