



YELLOWKNIFE **Aquatic Centre**

Concept Design Report
November 2020

**Appendix F2:
Costing Impact of COVID-19**

October 21, 2020
(Revised Nov 4, 2020)

Ott5733

Taylor Architecture Group
3502 Racine Road
Yellowknife, NT X1A 3J2

e. melani@tagyk.com

Attention: **Melani Korver, NWTAA, MRAIC**
Managing Associate

Hanscomb

Re: Yellowknife Aquatic Centre – COVID-19 Concerns

Dear Ms. Korver,

The Class D Estimate for the project is scheduled to be completed on October 28, 2020 (Revised Nov. 4, 2020), market conditions indicated a construction cost of the option with the 25 m eight lane lap pool is \$47,981,100, and the option with the 50 m eight lane lap pool is \$57,250,800. These estimates included an allowance of 7.5% for escalation up to the proposed construction start, April 2022. This value would be accurate, if not for state of emergency that started in March 2020, the worldwide COVID-19 Pandemic.

8 Lane 25 m Lap Pool

Total Construction Estimate (Oct 2020)		\$47,981,100
Additional Construction Costs	8.0%	3,838,500

Sub-Total – Updated Hanscomb Estimate	\$51,819,600	
Increases to Construction Management	3.0%	1,554,600
Total – Updated Hanscomb Estimate	\$53,374,200	

8 Lane 50 m Lap Pool

Total Construction Estimate (Oct 2020)		\$57,250,800
Additional Construction Costs	8.0%	4,580,100

Sub-Total – Updated Hanscomb Estimate	\$61,830,900	
Increases to Construction Management	3.0%	1,854,900
Total – Updated Hanscomb Estimate	\$63,685,800	

Additional Options:

6 Lane 25 m Lap Pool

Total Construction Estimate (Oct 2020)		\$47,100,100
Additional Construction Costs	8.0%	3,768,000

Sub-Total – Updated Hanscomb Estimate	\$50,868,100	
Increases to Construction Management	3.0%	1,526,000
Total – Updated Hanscomb Estimate	\$52,394,100	

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6 Lane 50 m Lap Pool

Total Construction Estimate (Oct 2020)		\$55,507,500
Additional Construction Costs	8.0%	4,440,600
Sub-Total – Updated Hanscomb Estimate		\$59,948,100
Increases to Construction Management	3.0%	1,798,400
Total – Updated Hanscomb Estimate		\$61,746,500

An effective COVID-19 vaccine is not expected until mid-2021, at the earliest. Giving this, the current social distancing and construction delays currently seeing across the territory, and the rest of Canada should be here for the next several years. The impact on this project should add another two to four months added to the proposed schedule.

We are expecting oil prices to not exceed \$70.00US (\$93.00CAN) for the next four years, with the Canadian Dollar continuing to hover around \$0.75USD. This should continue to keep inflation lower. However, with lower oil, we may also see workers return to their home provinces to find employment there, reducing the available workforce to the local populations.

The Pandemic has had a huge impact on the supply of construction materials here in Canada, as well as the materials from outside of Canada. With limited supplies, due to factory shutdowns earlier this year, slower production rates caused by social distancing protocols, manufacturers have been forced to increase costs to cover this additional overhead cost. Material supplies have also been affected by a reduced supply of raw materials, as well as increased transportations costs. The tariffs and quotas Canada have applied to imported steel from China may have an impact on this project. Canada is now seeing a lumber supply shortage, caused by the halt of cutting at the beginning of the Pandemic, slower working conditions at the mills, as well as the impact of the renovation boom across North America.

With the volume of work currently scheduled in the western provinces and territories in the next few, as well as the upcoming work from government stimulus funding, may affect this project overall cost. Included in this volume are several other aquatic centres, we may face labour shortages, as well as higher than would be expected wages to acquire the key personnel required for a project of this nature. Canada's current closed border policy and the current travel restrictions are impacting the pool of skilled labour and management available.

Regarding the direct construction costs, work happening on site, overall productivity will be lower caused by daily health checks, social distancing and personal time required by social distancing requirements. COVID-19 will have a lower impact on such work as grading and heavy machine work. Other work requiring closer working conditions, like tying rebar, installing formwork, structural steel and concrete placement will be a greater risk on both cost and schedule.

Should you have any questions or require additional information regarding this matter, please feel free contact the undersigned at your convenience.

Yours truly,

Hanscomb Limited



Arthur J. Maw, PQS (F), MRICS
President



Dale Stratton, PQS
Technical Manager