

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 21, 2018

Item 3, Report No. 2, of the Finance, Administration and Audit Committee, which was adopted, as amended, by the Council of the City of Vaughan on February 21, 2018, as follows:

By approving the following in accordance with Communication C4, from the Chief Financial Officer and City Treasurer, Interim Director, Financial Planning and Development Finance and Deputy City Treasurer, dated February 21, 2018:

- 1) ***That Council approve a budget amendment to Capital Project FR-3582-16 - Reposition Stn 7-4 Kleinburg Build and Design inclusive of administration recovery and applicable taxes in the amount of \$1,881,000, funded \$1,767,506 from City-Wide Fire Development Charges and \$113,494 from the Building and Facilities Infrastructure Reserve.***

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BUDGET AMENDMENT DESIGN AND CONSTRUCTION OF FIRE STATION 7-4

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Public Works, dated February 5, 2018:

Purpose

To obtain a budget amendment for Capital Project FR-3582-16 for Fire Station 7-4.

Recommendations

1. That Council approve a budget amendment to Capital Project FR-3582-16 - Reposition Stn 7-4 Kleinburg Build and Design inclusive of administration recovery and applicable taxes in the amount of \$1,881,000 be approved, with funding from City-Wide Fire Development Charges; and
2. That the inclusion of this matter on a Public Committee or Council agenda with respect to increasing the Capital Budget identified as "Budget Amendment, Design and Construction of Fire Station 7-4" is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002.

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Report Highlights

- The City purchased the land for a new fire station in Kleinburg in 2016
- The design and construction of the new fire station is a high priority project
- Tender for Fire Station 7-4 closed on January 12, 2018
- A budget amendment in the amount of \$1,881,000 is required to award a contract and proceed with the construction of Fire Station 7-4 Award

Background

Vaughan Fire and Rescue Service (VFRS) currently provides services to the northwest portion of the City from Fire Station 7-9 (9601 Islington Avenue) in Woodbridge. Kleinburg is a rapidly growing community within the City and a new fire station is required to provide more efficient and responsive fire and rescue services. The Fire Master Plan recommends locating a fire station west of the CP Rail line in Kleinburg (as per Attachment 1).

In 2016, the City purchased land for the construction of a new fire station in Kleinburg. Funding for the design and construction of the new Fire Station 7-4 was approved by Council as part of the 2016 Budget Deliberations. Fire Station 7-4 will be built within the Heritage District in Kleinburg at 835 Nashville Road.

The original design of the fire station identified a building consisting of two apparatus bays and ancillary offices and crew quarters, totaling approximately 9,300 square feet. Through the design process, VFRS identified that a third apparatus bay would be required to meet the service delivery requirements for the area, contributing to an overall increase in area to 10,300 square feet.

The design was submitted to the Design Review Panel and the Heritage Vaughan Committee, and comments were incorporated into the final design. The final design meets VFRS needs and the new fire station will provide the minimum essential requirements for the delivery of fire and rescue services, including fire response, sudden medical emergencies, technical rescues and hazardous material incidents. After completion, approximately 20 staff members will be assigned to work from the new fire station, with approximately 5 staff members on-site at any given time. Fire Station 7-4 can also serve as a potential "Evacuation Centre".

The Corporate Procurement Policy states that City Council shall approve the budget and scope of projects as part of the annual budget process or individual project approval submissions from Departments throughout the year. The procurement procedures in place require that the project budget and scope be evaluated at the start of the procurement process in order to ensure that any amendments to project budget or scope

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that may be required, are brought forward for Council approval at that point in the procurement process. The Class A estimate for the final design was received in September 2017, before issuance of the tender. Although the estimate exceeded the available funds, the project team, in consultation with VFRS and senior staff concluded that, based on their experience for similar buildings, the City could expect the tender results to be within the available budget. Given this information, and the high priority for completing the new fire station, the decision was made by the Deputy City Manager of Public Works to proceed with issuance of the tender.

Previous Reports/Authority

[Award of Request for Proposal RFP16-361 Design and Contract Administration Services for New Fire Station 7-4](#)

Analysis and Options

Seven (7) General Contractors were pre-qualified to take part in the tender. The tender closed on January 12, 2018. Seven (7) bids were received. All bids exceeded the available project budget.

The variation between the lowest and highest bid is approximately 10%. The narrow range of bids received demonstrates a clear and well developed tender package and associated design was provided to the pre-qualified bidders. These market results also represent accurate and competitive bidding, and are reflective of the current construction market.

The timely award of the tender will support construction to commence in early Spring 2018. Construction activities will have a duration of 16 months, with completion targeted for Summer 2019.

Financial Impact

The total estimated cost of the project including applicable taxes and administration recovery is \$6,793,683. The current approved Capital Project FR-3582-16 - Reposition Stn 7-4 Kleinburg Build and Design is not sufficient to accommodate the total cost of the project and therefore a capital budget amendment of \$1,881,000 is required.

The required amendment to the budget includes funding for project management costs that represent dedicated internal staff time needed to deliver the project. These costs were originally not anticipated to be applied to the project given they were departmental expenditures. However given these costs are directly related to delivery of the project, it is appropriate to include these costs in the project's costs.

The recommended capital budget increase will be funded from City-Wide Fire

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Development Charges. Any residual funds will be returned to the original funding source.

TABLE 1: PROJECT FUNDING POSITION SUMMARY (FR-3582-16)	
	\$
Approved Capital Budget (FR-3582-16)	4,913,000
Less: Expenses ¹	
Construction Costs (including contingency)	6,020,918
External Contract Administration and Inspection	360,766
Project Management (Internal Staff Time)	412,000
Subtotal	6,793,683
Budget Shortfall	(1,880,683)
Budget Amendment Request (rounded)	1,881,000

¹ Inclusive of the 1.76% non-recoverable HST and 3% administration recovery

As opportunities for the implementation of continuous improvement initiatives are identified, increasing rigour in project management activities support this direction. The development of tools and controls within business processes will prevent this situation from occurring on future projects.

Broader Regional Impacts/Considerations

N/A

Conclusion

It is recommended that Capital Project FR-3582-16 be increased by \$1,881,000, with funding from City-Wide Fire Development Charges. This will support the timely award of tender and enable the construction of a new Fire Station 7-4.

For more information, please contact: Jack Graziosi, Director of Infrastructure Delivery, ext. 8201

Attachments

1. Location Map

Prepared by

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Jack Graziosi, Director of Infrastructure Delivery, ext. 8201

Stephen Collins, Deputy City Manager, Public Works, ext. 8247

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)