

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 11, 2018

Item 9, Report No. 4, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 11, 2018.

9 CAPITAL BUDGET AMENDMENT BF-8463-15, AL PALLADINI COMMUNITY CENTRE ARENA REFRIGERATION PLANT EQUIPMENT REPLACEMENT

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager, Community Services, dated April 3, 2018:

Purpose

To revise the scope and budget for Capital Project BF-8463-15 Al Palladini Community Centre Refrigeration Plant Equipment Replacement to address the current condition of the arena ice making equipment.

Recommendations

1. That Capital Project BF-8618-19 Al Palladini Refrigeration Plant Upgrades, recognized in the 2019 Capital Plan in the amount of \$854,224, be advanced to 2018 and consolidated into the approved Capital Project BF-8463-15 Al Palladini Community Centre Refrigeration Plant Equipment Replacement.
2. That the revised budget for BF-8463-15 be amended by an incremental \$145,644, inclusive of applicable taxes and administration recovery, funded by a \$103,000 transfer from the approved Capital Project BF-8641-18 Replacement of Cooling Towers (Al Palladini Community Centre/Maple Community Centre) and \$42,644 from the Buildings & Facilities Infrastructure Reserve.
3. That the inclusion of this matter on a Public Committee or Council agenda with respect to increasing the Capital Budget identified as "Capital Budget Amendment, Al Palladini Community Centre Arena Refrigeration Plant Equipment Replacement" is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002.

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Report Highlights

- Replacement and upgrade of arena ice making refrigeration plant equipment is required at Al Palladini Community Centre
- Based on existing funding approved, the project was scheduled to be completed over two years beginning in 2018
- The project scope includes new engineering requirements and design changes that were scheduled to be implemented in 2019
- Due to rapid deterioration of the arena ice making equipment, the high risk of system failure and the opportunity for energy efficiencies, it is recommended the total project be advanced and completed in 2018
- A budget advancement, project consolidation and amendment from the 2019 Capital Plan to 2018 is required to complete the work based on the revised scope and updated pricing estimates.

Background

Capital Project BF-8463-15, Al Palladini Community Centre Refrigeration Plant Equipment Replacement, was originally approved in 2015 with a budget of \$334,750. A tender was issued in 2015, however, after condition assessments of the entire system were completed it was determined that additional components had deteriorated and needed replacement. As a result, the bid was cancelled and the project scope and specifications reevaluated. Revised engineering requirements were identified to take advantage of new opportunities to upgrade the refrigeration plant equipment, including the replacement of additional system components, and to make it more energy efficient. This process led to revised pricing estimates for the overall project.

The project was planned to be carried out over two years beginning in 2018 with funding from three separate capital projects, each covering different aspects of the project scope. The originally approved budget for Capital Project BF-8463-15 Al Palladini Community Centre Refrigeration Plant Equipment Replacement and a portion of the approved budget for Capital Project BF-8641-18 Replacement of Cooling Towers (Al Palladini Community Centre/Maple Community Centre) were to fund the works scheduled for 2018. A new request for funding was to be made in 2019 through Capital Project BF-8618-19 Al Palladini Refrigeration Plant Upgrades to fund the implementation of the new engineering requirements.

However, due to a more recent assessment of the condition of the equipment, it is now recommended that the overall project scope be advanced and completed under one project in 2018.

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Previous Reports/Authority

Not applicable.

Analysis and Options

Arena refrigeration replacement and upgrading projects face difficult challenges due to the short “off season” period when the work can be completed. To ensure continuous service delivery and to maximize energy efficiency, it is important to capitalize on opportunities in a timely manner. Consolidating and amending the capital budget so that the project work to replace the refrigeration plant equipment can be undertaken in its entirety under one project will minimize any potential disruption.

Financial Impact

The total estimated cost of the project, including applicable taxes and administration recovery, is \$1,334,618. The project was originally expected to be carried out over two years with funding split between 2018 and 2019. In order to address concerns with the current condition of the equipment, it is being recommended that the full scope of the project proceed in 2018.

It is recommended that the 2019 recognized capital project be advanced to 2018 and that incremental funding of \$145,644 be added to BF-8463-15 to fund the remaining budget required.

The recommended capital budget increase can be funded as follows:

TABLE 1: PROJECT FUNDING POSITION SUMMARY (BF-8463-15)	
	\$¹
Approved Capital Budget (BF-8463-15)	334,750
Less: Total Estimated Costs	
Contractors	1,197,696
Consultant	73,369
Contingency	63,553
Subtotal	1,334,618
Budget Shortfall	(999,868)
Funding:	
Budget Advancement/Consolidation from 2019 Capital Plan (BF-8618-19)	854,224
Budget Transfer from Approved Capital Budget (BF-8641-18)²	103,000
Budget Amendment Request	42,644
Subtotal	999,868

¹ All amounts are inclusive of 1.76% non-recoverable HST and 3% administration recovery

² Al Palladini Community Centre portion

All funding required would be sourced from the Buildings & Facilities Infrastructure Reserve which has sufficient funds to accommodate this request.

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Broader Regional Impacts/Considerations

Not applicable.

Conclusion

It is recommended that the 2019 recognized Capital Project BF-8618-19 be advanced to 2018 and that incremental funding of \$145,644 be added to Capital Project BF-8463-15 to fund the remaining budget required. This will ensure sufficient funds in 2018 to support the timely replacement of the arena refrigeration plant equipment at Al Palladini Community Centre.

For more information, please contact: Dave Merriman, Director Facility Services, ext. 8296

Attachments

None.

Prepared by

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