

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 10, Report No. 6, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 27, 2017.

**10 PURCHASE ORDER AMENDMENT FOR PROFESSIONAL ENGINEERING SERVICES
DETAILED DESIGN OF MUNICIPAL ROADS AND SERVICING
VAUGHAN HEALTHCARE PRECINCT
WARD 1**

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Deputy City Manager of Public Works and the Director of Infrastructure Delivery, dated June 6, 2017, be approved; and**
- 2) That Communication C2 from Ms. Carrie Liddy, dated June 3, 2017, be received.**

Recommendation

The Deputy City Manager of Public Works and the Director of Infrastructure Delivery, in consultation with the Director of Financial Planning and Development Finance & Deputy City Treasurer and the Director of Procurement Services, recommend:

1. That the award amount for Cole Engineering Group (CEG) to provide engineering services for the detailed design engineering and the preparation of tenders to construct the roads, the storm water works, including channel realignment, new culverts and storm water ponds, and the municipal water and wastewater servicing to allow for the servicing of the Vaughan Healthcare Precinct lands be increased by \$85,700; and
2. That the award increase plus applicable taxes and administration recovery be funded from the Approved Capital Project CO-0054-09 – Vaughan Hospital Precinct Development.

Contribution to Sustainability

The development of the Vaughan Healthcare Centre Precinct will support environmental sustainability and fulfill a number of goals and objectives outlined by the plan, specifically:

Goal 2: To ensure sustainable development and redevelopment.

Goal 3: To ensure that Vaughan is a city that is easy to get around with low environmental impact.

The needs of pedestrians, redevelopment and public transit will be supported by the strengthening and improvement of the public realm. The Vaughan Healthcare Centre Precinct (VHCP) will be instrumental in establishing and enhancing a strong sense of place and community image, while integrating the area's contemporary and heritage elements. Environmentally sustainable materials and features will facilitate pedestrian movement throughout the area; create street character, social spaces, streetscape quality and environmental sustainability.

Economic Impact

Item 10, Report No. 17, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on December 10, 2013 was a single source

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 10, Finance Report No. 6 – Page 2

award of contract to Cole Engineering Group to provide engineering services for the detailed design and preparation of the tender for the grading and servicing of the Vaughan Healthcare Precinct. The total value of the assignment, excluding H.S.T. and administration recovery was \$993,000.00, with a contingency allowance of \$150,000.00.

Additional costs are required for CEG to create separate tender packages, compile data to inform the Cost-Sharing Agreement with Mackenzie Health, as well as addressing concerns raised by York Region and the Toronto and Region Conservation Authority (TRCA) in obtaining necessary permits and approvals. More detailed explanations can be found in the Background – Analysis and Options section of this report.

Sufficient funding for the additional works exists in Capital Project CO-0054-09 - Vaughan Hospital Precinct Development.

The economic impact of the extra consulting costs is summarized as follows:

TABLE 1: ADDITIONAL ENGINEERING SERVICES	
Additional Engineering Services (RFP11-241)	\$85,700.00
H.S.T. (1.76%) Not Recoverable	\$1,508.32
Sub-Total	\$87,208.32
Administration Recovery (3%)	\$2,616.25
Net Additional Engineering Services	\$89,824.57

Communications Plan

Not Applicable.

Purpose

To obtain approval for an increase to the purchase order for Cole Engineering Group to provide engineering services for the detailed design engineering and the preparation of the tenders for the grading and servicing of the Vaughan Healthcare Precinct.

Background - Analysis and Options

To meet the aggressive timelines for the development of the Mackenzie Health Hospital by Infrastructure Ontario and Mackenzie Health, Cole Engineering Group (CEG) was retained to provide required professional engineering services for the servicing of the Vaughan Healthcare Precinct

In order to deliver an unencumbered serviced site to Infrastructure Ontario for the Mackenzie Vaughan Hospital (MVH), a completed detailed design was required within a condensed schedule, which did not provide an appropriate amount of time to wholly refine the scope of work and resulted in the identification and management of several changes during the planning and detail design phase.

In December 2013, Cole Engineering Group was awarded a single source award of contract for professional engineering services and detailed design of municipal roads and servicing for the Vaughan Healthcare Precinct. CEG was engaged to provide detail engineering design services to

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 10, Finance Report No. 6 – Page 3

carry out the preparation of the tender to construct the earthworks, municipal servicing and road building commonly referred to as the “early works”.

Unforeseen circumstances have resulted in an increase in the design costs

The following items were identified after the award of the assignment to CEG and not part of the original scope of the detail design assignment with CEG.

- Separating the early works into three separate contracts (\$56,500)
- Preparation of estimates to inform the cost sharing agreement between the City of Vaughan and Mackenzie Health (approximately \$13,800), and
- Design modifications to address comments received from York Region and the Toronto and Region Conservation Authority (approximately \$15,400)

The aggressive timelines originally established by IO to provide an unencumbered MVH land site to complete the planning activities also impacted the detailed design for the early works. The uncertainty of the execution of the ground lease and a cost sharing agreement with Mackenzie Health resulted in additional design related fees and costs associated with obtaining multi-phased approvals from regulatory authorities. This resulted in the creation of three separate contracts to carry out the required early work, namely:

1. Quotation Q14-038 for Temporary Access and Egress Modifications to Canada's Wonderland,
2. Tender T14-072 for Earthworks, Culverts, Storm Water Management Ponds and a new intersection on Major Mackenzie, and lastly
3. Tender T15-230 for all Site Servicing, Sanitary Pumping Station, and a new intersection on Jane Street, issued following the execution of the Cost-Sharing Agreement with Mackenzie Health on July 2, 2015, Tender T15-230 (Contract 2) for these works was issued.

In early 2014, it was identified that additional preliminary work comprised of the preparation and revision of cost sharing estimates for the infrastructure works to be shared between the City of Vaughan and Mackenzie Health was needed. This additional work was not identified in the original scope of work for the design assignment with CEG.

Lastly, the separation of work into three separate tenders resulted in multiple submissions to the various regulatory agencies for permits and approvals. Some of the comments received from these agencies were not included in the original scope of work for CEG, but were necessary to obtain approvals. An example was a requirement that the new Jane Street intersection be redesigned to meet the newly approved Regional standard for AODA.

The required professional engineering services to complete the detailed design work and preparation of tenders were provided by CEG. Staff have reviewed and negotiated the claims provided CEG that relate to the additional work completed. The total of the above works equates to \$85,700.00 (exclusive of taxes). There is sufficient funding in Capital Project CO-0054-09 to accommodate the additional funds.

Relationship to Term of Council Service Excellence Strategy Map (2014-2018)

Council Priority is to “Support the development of the hospital”. The report summarizes the work that has been completed to prepare the precinct lands for the construction of the Mackenzie Vaughan Hospital.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 27, 2017

Item 10, Finance Report No. 6 – Page 4

Regional Implications

Not Applicable.

Conclusion

The requested increase of \$85,700 is required to finalize the engineering services provided by Cole Engineering Group for the detailed design engineering and the preparation of tenders to construct the roads, the stormwater works, including channel realignment, new culverts and stormwater ponds, and the municipal water and wastewater servicing to allow for the servicing of the Vaughan Healthcare Precinct. The time and costs have been verified by staff. It is therefore appropriate to approve the increase in award as requested.

Attachments

Not applicable

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