

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 6, Report No. 8, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on April 21, 2015.

**6 BUDGET AMENDMENT CAPITAL PROJECT CO-0074-14 - CULVERT WORK ON MAJOR MACKENZIE AND AWARD AMENDMENT RFP14-071- CONTRACT ADMINISTRATION AND INSPECTION SERVICES FOR THE VAUGHAN HEALTHCARE CENTRE PRECINCT
WARD 1**

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Public Works and the Director of Capital Delivery and Asset Management dated April 13, 2015:

Recommendation

The Commissioner of Public Works and the Director of Capital Delivery and Asset Management, in consultation with the Director of Purchasing Services and the Director of Financial Planning and Analytics, recommend:

1. That the award amount for Part A of RFP14-071 to Cole Engineering Group Ltd., to provide Contract Administration and Inspection Services for the Vaughan Healthcare Centre Precinct, be increased by \$118,000.00 plus applicable taxes and administration recovery as follows;
 - a. \$40,000.00 for capital project CO-0054-09 – Vaughan Hospital Precinct Development inclusive of contingency allowances, administration recovery and applicable taxes;
 - b. \$78,000 for capital project CO-0074-14 – VHPD Culvert Work on Major Mackenzie inclusive of contingency allowances, administration recovery and applicable taxes
2. That a budget amendment to capital project CO-0074-14 in the amount of \$78,000.00 be approved for the Contract Administration and Inspection Services and be funded from the City's Wastewater Reserve;
3. That the inclusion of this matter on a Public Committee or Council agenda with respect to amending capital budget CO-0074-14 – VHPD Culvert Work on Major Mackenzie is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended; and
4. That the Mayor and City Clerk be authorized to sign the appropriate documents.

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 will be instrumental in establishing and enhancing a strong sense of place and community image,

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 6, Finance Report No. 8 – Page 2

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

An increase in funding is required to complete the Contract Administration and Inspection resulting from extended timelines to complete the construction and will be funded from the City's capital projects CO-0054-09 and CO-0074-14

Part A of the assignment (RFP14-071) represents the Contract Administration and Inspection Services associated with Tender T14-072, that is comprised of three distinct components; Major Mackenzie Drive intersection and associated road works, the Precinct earthworks and grading, and the Major Mackenzie Drive culvert works. It is for this portion of the assignment that the increase in funding of \$118,000.00, plus applicable taxes and administration recovery, is being requested. During the course of construction additional time was spent obtaining approvals from regulatory agencies and managing unforeseen circumstances with the Major Mackenzie Drive culvert tunneling operation.

The requested amount of \$40,000 is available within CO-0054-09 Vaughan Hospital Precinct Development account which is funded from the annual tax levy established by Council on June 15, 2009.

Since the culvert work on Major Mackenzie Drive is designed to alleviate a pre-existing flooding condition on the site that will also benefit the entire Precinct, CO-0074-14 VHPD Culvert Work on Major Mackenzie was funded from the Wastewater Reserve. As a result of the unforeseen conditions encountered during the tunneling operation associated with the culvert construction, it is appropriate to request Council approval for the additional funding for the contract administration and inspection services associated with the culvert works from Capital Project CO-0074-14 in the amount of \$78,000.00, as well as to preserve the remaining funds available in CO-0054-09 for Part B of the assignment.

The impact on Part B of the assignment will be determined once the Cost-Sharing Agreement is finalized

Part B of the assignment represents the Contract Administration and Inspection Services for the planned precinct servicing contract. This contract is scheduled to be tendered once a Cost-Sharing Agreement with Mackenzie Health (MH) is executed. Discussions with Mackenzie Health regarding the apportionment of capital costs, to form the basis of a Cost-Sharing Agreement, are ongoing. Therefore, there is no additional impact to Part B of the assignment at this time.

Communications Plan

Not Applicable

Purpose

To obtain Council approval for additional funds for Part A of RFP14-071, Contract Administration and Inspection Services for the Vaughan Healthcare Centre Precinct.

Background – Analysis and Options

The infrastructure required to provide an unencumbered site for the Vaughan Healthcare Centre Precinct (VHCP) was separated into two contracts in order to meet the Mackenzie Vaughan Hospital (MVH) development timeline requirements

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 6, Finance Report No. 8 – Page 3

There are various components being carried out concurrently as part of the development of the Vaughan Healthcare Centre Precinct. The lands within the Vaughan Healthcare Centre Precinct are encumbered with historic road infrastructure currently serving Cedar Fair (Canada's Wonderland) and drainage channels crossing the Precinct. For orderly development of the Precinct, and of the MVH site specifically to proceed in an orderly fashion, new municipal infrastructure must be constructed. These infrastructure requirements are intended to be constructed in stages through two separate contracts. The first stage of infrastructure was tendered under T14-072 (Contract 1), was awarded by Council in June 2014 and includes:

- Earthworks and site grading (Site Clearing, Removal of Existing Roads and Services)
- New Traffic Signals at Major Mackenzie Drive, including illumination and pavement markings
- Construction of new road network to modify access/egress to Canada's Wonderland
- SWM Pond, Channel and new culvert installation

The second stage of works for the Vaughan Healthcare Centre Precinct Plan consists primarily of the internal sewer, water and storm water servicing. The tender (Contract 2) for these works will be issued once the future Cost-sharing Agreement is completed with Mackenzie Health.

RFP14-071 Contract Administration and Inspection Services for the VHCP was separated in two parts to reflect the staging of the infrastructure contracts

The Contract Administration and Inspection assignment, awarded to Cole Engineering Group in June 2014, is separated into two parts; namely, Part A for the first stage of infrastructure work (as part of Tender T14-072 - Site Pre-grading/Major Mackenzie Drive Improvements), and Part B for the servicing associated with the Vaughan Healthcare Centre Precinct that will only be carried out on condition that the tender proceeds to construction.

Costs associated with contract administration and inspection services are relative to the time required to complete construction activities

In order to determine the fees associated with providing contract administration and inspection services, it is typical for engineering service providers to estimate the time required to undertake construction work first then apportion the staff time required to inspect the work and administer the contract. As a result, the industry standard to estimate fees for contract administration and inspection services is directly proportional to the time required to undertake and complete the construction work.

In order to complete the work associated with Part A of the assignment, a time based extension is required

In consideration of the compressed schedule to complete the detailed design and the aggressive timelines required to provide an unencumbered MVH land site, Contract 1 was tendered with the intention of commencing work immediately. Permits from Toronto Regional Conservation Authority, Ministry of the Environment and the Ministry of Transportation were required to complete the work; however, as part of the award of Tender T14-072, the City committed to ensure that the associated construction activities would only commence after these permits were received.

The delay in receiving these permits along with additional, unforeseen work in completing the scope of this project has resulted in additional time for contract administration and inspection by

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 6, Finance Report No. 8 – Page 4

Cole Engineering Group. Staff are projecting that additional funding will be required to complete Part A of this assignment. There is no change in scope and the funds required are solely based on the extension of time to complete construction.

The projected additional funding required for Part A of RFP14-071 is \$118,000.00 (plus applicable taxes and administrative recovery)

Additional contract administration and inspection services have been required as a result of accelerated storm water tunnelling work (to a 24 hour, 6 days per week operation) and adjusting earthworks and road construction activities to include Saturday operations (when possible). These measures were implemented to reduce the impact of the time delays in obtaining permits. To date, the additional fees have been accommodated within the existing assignment. The projected fees to complete the work for Part A, using the existing approved unit rates set out in RFP14-071, have been estimated to be \$118,000.00. All costs and estimates have been reviewed by staff and verified by the City's Cost Control and Risk Mitigation Consultants, p2i Strategies Ltd., and finds this amount to be fair and reasonable.

The apportionment of the consulting costs is summarized as follows:

TABLE 1 : ADDITIONAL CONSULTING COSTS			
	CO-0074-14	CO-0054-09	TOTAL
Additional Consulting Costs (RFP14-071)	\$78,000.00	\$40,000.00	\$118,000.00
H.S.T. (1.76%) Not Recoverable	\$1,372.80	\$704.00	\$2,076.80
Sub-Total	\$79,372.80	\$40,704.00	\$120,076.80
Administration Recovery (3%)*	\$2,381.18	\$1,221.12	\$3,602.30
Net Additional Consulting Costs	\$81,753.98	\$41,925.12	\$123,679.10

Relationship to Vaughan Vision 2020/Strategic Plan

This report is consistent with the priorities previously set by Council and ties into the following Vaughan Vision 20/20 Goals and Objectives:

Goal: Service Excellence

Objective: Promote Community Safety, Health, & Wellness

Continuing with the Vaughan Healthcare Precinct Development, and completing the servicing of the lands for the new Mackenzie Vaughan Hospital, in partnership with Mackenzie Health, will ultimately provide a much-awaited hospital and healthcare facility for Vaughan, thus contributing to fulfilment of this vital Strategic Objective.

Regional Implications

The Regional Municipality of York continues to be a participating stakeholder during the detailed design and construction of infrastructure related to the development of the Vaughan Healthcare Centre Precinct.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF APRIL 21, 2015

Item 6, Finance Report No. 8 – Page 5

Conclusion

Additional funding will be required to complete the work associated with Part A of RFP14-071, to provide Contract Administration and Inspection Services for the Vaughan Healthcare Centre Precinct. The costs have been reviewed by staff, and verified by the City's Cost Control and Risk Mitigation Consultant, P2i Strategies Inc. It is therefore appropriate to approve an increase in the Purchase Order for consulting services to Cole Engineering Group for Part A of RFP14-071.

Attachments

Not Applicable

Report Prepared by:

Paolo Masaro, Manager, Design and Construction, ext. 8446