

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 6, Report No. 10, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on November 21, 2017.

6

BUDGET AMENDMENT RESTORATION AND RENOVATION OF KLEINBURG UNITED CHURCH WARD 1

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager of Public Works and the Director of Infrastructure Delivery, dated November 6, 2017:

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 recommend:

1. That a budget amendment to Capital Project BF-8479-15 – Restoration and Renovation of Kleinberg United Church inclusive of administration recovery and applicable taxes in the amount of \$450,000 be approved with funding from the City's Buildings & Facilities Infrastructure Reserve; 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 – Restoration and Renovation of Kleinburg United Church," is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002.

Contribution to Sustainability

The proposed design for the restoration and renovation of the Kleinburg United Church will implement new building technologies and life safety systems that align with current Building Code standards, sustainability practices and provide high-performing building systems that will contribute to a healthier built environment. The restoration will maintain one of Vaughan's unique built heritage resources, while upgrading it to reduce energy consumption and perform at a higher environmental standard.

Economic Impact

The tender for general contracting services for Capital Project BF-8479-15 – Restoration and Renovation of Kleinburg United Church closed on August 9, 2017. All bids submitted exceeded the construction estimate for the project and the available budget. To minimize delay of the project schedule, staff worked closely with Financial Planning and Development Finance to obtain funding from an alternate source to facilitate the award of the tender. A budget transfer, within delegated authority of surplus funds from an alternate Capital Project, was completed on August 31, 2017 and the tender awarded. The award of the tender utilized all available funds within the Kleinburg United Church project, including a 20% construction contingency that was set aside based on the estimated construction cost.

Due to the heritage significance of the building and the aggressive construction schedule, the project is considered to be high risk and complex. A budget increase of \$450,000 that includes a 20% construction contingency, design contingency, and other project costs such as furniture, fixtures, equipment and signage is required with funding from the Buildings & Facilities Infrastructure Reserve. Any residual funds will be returned to the original funding source.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 6, Finance Report No. 10 – Page 2

Detailed information on the progress of the project can be found in the Background – Analysis and Options section of this report.

Communications Plan

Staff will advise the Mayor and Members of Council and will distribute a newsletter to the Stakeholders as necessary.

Purpose

To obtain Council approval of a budget amendment for a contingency during the construction phase to carry out the works associated with the restoration and renovation of Kleinburg United Church.

Background - Analysis and Options

In 2010, the City of Vaughan purchased the Kleinburg United Church property located at 10418 Islington Avenue

In 2010 the City of Vaughan purchased the Kleinburg United Church property, built in 1926, with the intention of housing a museum to honour the late Pierre Berton and create a multi-use facility that can be used by community groups for activities. The existing structure, located at 10418 Islington Avenue in Kleinburg, is currently vacant and requires repair, restoration and life safety upgrade work to be fit for public use. Following completion, the building will be referred to as the Pierre Berton Heritage Centre.

The restoration and renovation of Kleinburg United Church was approved as part of the 2015 Capital Budget

The budget to fund the restoration and renovation of the Kleinburg United Church was approved as part of the 2015 Capital Budget. The original scope of work included building restoration, regrading of the site to prevent water infiltration, and interior repairs to the main floor of the building, such as upgrades to the electrical, mechanical and life safety systems, and limited accessibility improvements.

A revised scope of work and advancement of the completion date was approved by Council in May 2016

As part of Item 23, Report No. 21, of the Committee of the Whole, which was adopted without amendment by Council on May 17, 2016, the Pierre Berton Tribute Task Force put forward a recommendation to convert the Kleinburg United Church into a fully accessible public building, thus increasing the scope of work and complexity of the project. The conversion into a fully accessible, AODA compliant building includes, at a minimum, the renovation of the basement level, the addition of barrier-free washrooms, the installation of a lift between the main floor and the basement level, and improvements to the site to ensure barrier-free paths of travel to an accessible building entrance. In addition, as recommended by the Pierre Berton Tribute Task Force, the completion date for the project was advanced from October 2018 to June 2018.

Staff were directed to investigate additional funding opportunities to accommodate the revised scope of work in May 2016

At the Pierre Berton Task Force meeting held on May 25, 2016, staff advised that the June 2018 completion date may be impacted by several factors including the increased scope of work, discovery of unknown site conditions and challenges with unforeseen building conditions typically

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 6, Finance Report No. 10 – Page 3

experienced during the restoration and renovation of a heritage building. Also at the meeting, staff were directed to investigate all funding opportunities to help pay for the increased scope of work.

As directed, to accommodate the increase in scope and compressed project timelines, staff sought additional funding through the Canada 150 Community Infrastructure Program grant application and 2017 Capital Budget.

Additional funding for the project was approved in the 2017 Capital Budget

In early 2017, staff were informed that the Canada 150 Community Infrastructure Program grant application for additional funding was not successful. However, \$900,800 of additional funding was approved for the project as part of the 2017 Capital Budget. To adhere to the aggressive project schedule, staff proceeded with the budget that was available.

The Prime Design Consultant was retained in November 2016 for planning, design and contract administration for the project

In November 2016, Lynch + Comisso Architects was retained for the planning, design and contract administration oversight of the restoration and renovation work of the Kleinburg United Church. Lynch + Comisso Architects began preliminary investigations of the building in January 2017. During the detailed design phase of the project, staff became better informed about the existing conditions of the building and the extent of work required to meet current Ontario Building Code and AODA standards.

In the early design stages, a Heritage Coordinator from Development Planning was assigned to the project to ensure alignment with applicable heritage and urban design guidelines throughout the design phase. The design was presented to the Vaughan Heritage Committee in March 2017 and approval to proceed was received following the presentation.

A Cost Consultant was retained to complete multiple construction cost estimates throughout the design phase of the project

After the preliminary investigations stage of the project, Cost Consultants Turner & Townsend were retained in February 2017 to complete multiple construction cost estimates. Turner & Townsend was required to provide cost estimates at the end of each design phase, prior to the start of the next phase. Following the receipt of each construction cost estimate, value engineering exercises were completed by Lynch + Comisso Architects and staff to ensure alignment with the allocated construction budget before the next stage of the design commenced.

During the design phase, staff collaborated with internal Stakeholder Departments to create opportunities to enhance the project

Recreation Services was integrated into the project at the early planning stages. In September 2016, Recreation Services retained an Exhibit Consultant, Reich + Petch, to design and install the Pierre Berton exhibit for the facility. Collaboration between Lynch + Comisso Architects and Reich + Petch during the design stage of the renovation was critical to ensure the exhibit requirements were captured in the renovation design. Discussions and coordination between the Consultant teams resulted in strategies that visually enhanced the exhibit while minimizing risk during the exhibit installation process.

In March 2017, Facility Maintenance Services and the Accessibility and Diversity Coordinator in Human Resources committed funding to the Kleinburg United Church project from capital project

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 6, Finance Report No. 10 – Page 4

BF-8476-15 – Building Upgrades to Meet AODA Requirements for the costs associated with a new universal washroom and other accessibility upgrades. Collaboration with Facility Maintenance Services and Human Resources provided a unique opportunity for the project. Following completion, the Pierre Berton Heritage Centre will be the first unmanned facility in Vaughan to have a lift and a universal washroom for community use.

The City pre-qualified general contractors with similar experience and demonstrated ability to successfully carry out the project

In March 2017, potential general contractors were invited to submit their qualifications through a Request for Pre-Qualification (RFPQ) process. There were thirty-two (32) plan takers for the RFPQ. The RFPQ closed in April 2017, with seventeen (17) proposals received. Following review with Procurement Services, eight (8) vendors were deemed compliant to proceed to the RFPQ evaluation stage. The following five (5) proponents were pre-qualified to take part in the tender for general contracting services:

1. Bondfield Construction Company Limited
2. Compass Construction Resources Ltd.
3. Clifford Restoration Limited
4. DASD Contracting Inc.
5. Harbridge & Cross Limited

Bids were received for tender T17-149 General Contracting Services for Restoration and Renovation of Kleinburg United Church on August 9, 2017

The tender for general contracting services was issued in June 2017 and closed in August 2017. Five (5) pre-qualified General Contractors submitted bids.

<u>General Contractor</u>	<u>Total Bid Amount (excl. HST)</u>
1. DASD Contracting Inc.	\$1,882,000.00
2. Clifford Restoration Limited	\$1,960,000.00
3. Bondfield Construction Company Limited	\$2,128,000.00
4. Compass Construction Resources Ltd.	\$2,159,568.00
5. Harbridge & Cross Limited	\$2,800,000.00

Tender results exceeded the project construction cost estimate

The final "Class A" construction cost estimate completed prior to tendering the project was within budget. All bids received in response to the tender exceeded the approved construction budget for the project. The majority of the submitted bids were within a close range of each other, indicating that the pricing received was competitive and a reflection of the current construction market. Factors that likely contributed to the cost premiums in the submitted bids include: an aggressive project schedule, specialized restoration and renovation work associated with a building of heritage designation, and constructability challenges related to the existing building and site conditions.

Staff sought available additional funds to proceed with the award of the tender to accommodate the project completion date

To minimize the risk of impacting the Council directed completion date of June 2018, a transfer of surplus funding of \$180,000 from BF-8482-16 – Vellore Village Community Centre Interior Renovations was transferred to provide sufficient funds in BF-8479-15 – Restoration and Renovation of Kleinburg United Church to award the construction contract. In September 2017,

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 6, Finance Report No. 10 – Page 5

the construction contract was awarded to the lowest compliant bidder, DASD Contracting Inc. for a total contract value of \$1,882,000.

Additional funding for a construction contingency allowance is required to complete the project

The amendment to the budget of Capital Project BF-8479-15 – Restoration and Renovation of Kleinburg United Church will fund the contingency allowance related to unforeseen site and building conditions during the construction phase. The aggressive construction schedule and the heritage significance of the building add complexity and risk to the project. The total budget amendment request for \$450,000 includes funding for construction and design contingency, and other project costs including furniture, fixtures, equipment and signage.

A detailed summary of the proposed budget amendment is summarized as follows:

TABLE 1: PROJECT FUNDING POSITION SUMMARY (BF-8479-15)	
	\$
Approved Capital Budget (BF-8479-15)	2,031,000.00
Budget Transfer Amount (under delegated authority)	180,000.00
Amended Budget following Transfer	2,211,000.00
Less: Expenses/Commitments to Date (includes construction contract)	(2,167,577.00)
Current Funds Remaining	43,423.00
Budget Amendment Request (as contingency during construction phase)	450,000.00
Budget Remaining after Budget Amendment	493,423.00

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

In consideration of the strategic priorities set within the Term of Council Service Excellence Strategy Map, the recommendations in this report support the priority to invest, renew and manage infrastructure assets.

Regional Implications

Not Applicable.

Conclusion

Capital Project BF-8479-15 – Restoration and Renovation of Kleinburg United Church is considered to be a complex and high-risk project. To reduce risk of schedule delay, in September 2017 the tender for general contracting services was awarded utilizing all remaining funds within the Kleinburg United Church project, including all available construction contingency and surplus funding from other sources. Staff recommends that a budget amendment of \$450,000 be approved as a contingency for the construction phase of the project with funding from Buildings & Facilities Infrastructure Reserve.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 21, 2017

Item 6, Finance Report No. 10 – Page 6

Attachments

1. Location Map

Report prepared by:

Adriana Tantalo, Project Manager, Ext. 8745

Wei Chiao, Manager, Design and Construction (Buildings), Ext. 8101

(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.)