

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 8, Report No. 11, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on September 16, 2015.

**8 AWARD AMENDMENT RFP14-070- FOR PROJECT CONTROL AND RISK MITIGATION CONSULTING SERVICES FOR THE VAUGHAN HEALTHCARE CENTRE PRECINCT
WARD 1**

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Commissioner of Public Works and the Director of Capital Delivery and Asset Management, dated September 8, 2015, be approved; and
- 2) That the presentation by the Director of Capital Delivery and Asset Management and C5, presentation material titled “*Vaughan Healthcare Centre Precinct – moving forward with the site of our new hospital*” dated September 8, 2015, be received.

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 RFP14-070 to p2i Strategies Ltd. to provide Project Control and Risk Mitigation Consulting Services for the Vaughan Healthcare Centre Precinct be increased by \$309,720.00 funded from Capital Project CO-0054-09 – Vaughan Hospital Precinct Development plus applicable taxes and administration recovery.

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

RFP14-070 for Project Control and Risk Mitigation Consulting Services was awarded on May 6, 2014 in the amount of \$166,000.00

Funding for RFP14-070 – Project Control and Risk Mitigation Consulting Services in the amount of \$166,000.00, which includes a contingency allowance, administration recovery and applicable taxes, for the Vaughan Healthcare Centre Precinct (VHCP) was approved by Council on May 6, 2014, funded from Capital Project CO-0054-09 – Vaughan Hospital Precinct Development.

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Based on the updated project timelines for Contract 2 and additional consulting services needed, an increase in funding is required for Project Control and Risk Mitigation

Since the time of issuance of RFP14-070, the timelines identified within the Terms of Reference for commencement and completion of both Phases 1 and 2 of the early works have increased. An original completion date of September 2015 was identified that has been revised to June 2017, in co-ordination with the updated schedule for the Mackenzie Vaughan Hospital construction. The City has been working collaboratively with Mackenzie Health (MH) and Infrastructure Ontario (IO) to determine these updated timelines.

To ensure effective delivery of the City's early works, as well as the Mackenzie Vaughan Hospital, regular co-ordination meetings between our organizations will be required. Additional consulting services associated with project control and risk mitigation will also be required to inform the co-ordination meetings.

The requested amount of \$309,720.00 plus applicable taxes and administration recovery 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.

Communications Plan

Not Applicable.

Purpose

To obtain Council approval for additional funds associated with RFP14-070 for Project Control and Risk Mitigation Consulting Services for the Vaughan Healthcare Centre Precinct.

Background - Analysis and Options

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

The lands within the VHCP 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 tendered under T14-072 (Contract 1), was awarded by Council in June 2014 and primarily includes site grading, construction of new road network to modify access/egress to Canada's Wonderland, and new traffic Signals and new culvert installation on Major Mackenzie Drive.

The second stage of works for the Vaughan Healthcare Centre Precinct Plan consists primarily of the internal sewer, water and storm water servicing. Shortly after the Municipal Infrastructure Plan and Cost Sharing Agreement were executed with Mackenzie Health July 2, 2015, Tender T15-230 (Contract 2) for these works was issued and closed August 17, 2015.

There are various components being carried out concurrently as part of the development of the Vaughan Healthcare Centre Precinct which requires on-going coordination with all parties and agencies involved. Continuing to retain Project Control and Risk Mitigation Consulting Services for the VHCP is recommended in order to minimize risks, ensure proper management of resources and costs in adhering to the revised project timelines.

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Project Control and Risk Mitigation Consulting Services for the VHCP are time based services required throughout the duration of construction activities

In order to determine the fees associated with the consulting services related to a construction project, it is typical for service providers to estimate the time required to carry out the work first then apportion the staff time and resources required to undertake their services. As a result, the industry standard to estimate fees for services is directly proportional to the time required to carry out and complete the construction work.

Updates to the project schedule have resulted in increased duration for construction activities

In consideration of the compressed schedule to complete the detailed design and the aggressive original timelines to provide an unencumbered MVH land site, as established by IO, Contract 1 was tendered in June 2014 with a project duration of nine months. It was also intended that Contract 2 would be tendered in late 2014, subject to execution of a Cost Sharing Agreement with Mackenzie Health.

As a result of these proposed timelines RFP14-070 was issued identifying a work schedule aligned with IO's original timeline. A work schedule for 17 months (74 weeks) was identified within the RFP, apportioned as 35 weeks for Contract 1, and 39 weeks for Contract 2.

In view of the above and based on the updated project schedule developed in collaboration with IO for the MVH, there has been an overall increase in the duration for the proposed construction activities to be undertaken by the City in Contracts 1 and 2. To ensure project control and risk mitigation on these projects, the duration of the overall assignment has been increased by 87 weeks to a total of 36 months (155 weeks), reflecting the June 2017 completion of the early works.

Additional consulting services are required in order to fulfil obligations and commitments with Mackenzie Health and Infrastructure Ontario during Contract 2

The construction schedule for Contract 2 has been revised to reflect the recent execution of the Municipal Infrastructure Plan and Cost Sharing Agreement with Mackenzie Health. As a result, construction for Contract 2 is scheduled to commence in October 2015 with a completion date of June 2017.

As a result, additional time for Project Control and Risk Mitigation Consulting Services beyond the original assignment is required to assist City Staff in fulfilling obligations and commitments to Mackenzie Health and Infrastructure Ontario. There is no change in scope and the funds required are solely based on the additional hours and extension of time required to complete construction of Tender T15-230 (Contract 2).

The projected additional funding required for RFP14-070 is \$309,720.00 (plus applicable taxes and administrative recovery)

The additional Project Control and Risk Mitigation Consulting Services required as a result of the revised schedule and additional hours will require additional funding of approximately \$309,720.00. All costs and estimates have been reviewed by staff and find this amount to be fair and reasonable.

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The total cost for professional engineering services for this project, including contingency allowance, applicable taxes and administration recovery is calculated as follows:

RFP14-070 - p2i Strategies Ltd. - Amendment	
Additional Consulting Services Costs	\$182,874.00
Time Based Additional Consulting Costs	\$126,846.00
Sub-Total	\$309,720.00
H.S.T. (1.76%) (not recoverable)	\$5,451.00
Sub-Total	\$315,171.00
Administration Recovery (3%)	\$9,455.00
Total	\$324,626.00
ROUNDED	\$325,000.00
RFP14-070- p21 Strategies Ltd. – Original Assignment	\$166,000.00
Revised Assignment Total	\$491,000.00

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 construction of the infrastructure related to the development of the Vaughan Healthcare Centre Precinct.

Conclusion

Additional funding will be required to complete the work associated with RFP14-070, to provide Project Control and Risk Mitigation Consulting Services for the Vaughan Healthcare Centre Precinct. The costs have been reviewed by staff and it is therefore appropriate to approve an increase in the Purchase Order for consulting services to p2i Strategies Ltd. for RFP14-070.

Attachments

Not Applicable.

Report Prepared by:

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