

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 16, 2016

Item 1, Report No. 7, of the Committee of the Whole, which was adopted, as amended, by the Council of the City of Vaughan on February 16, 2016, as follows:

By approving the following in accordance with Communication C6 from the Deputy City Manager, Public Works and Director of Infrastructure Delivery, dated February 12, 2016:

That this communication be received for information purposes.

**1 FITNESS EXPANSION & RENOVATION PROJECT AT FATHER ERMANNIO BULFON
COMMUNITY CENTRE - PROJECT UPDATE AND CONTRACT AMENDMENT
WARD 2**

The Committee of the Whole 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 February 2, 2016, be approved; and**
- 2) That Communication C3, Confidential Communication from the City Solicitor and Legal Counsel, dated January 29, 2016, 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 Purchasing Services, recommend:

1. That Purchase Order 6494OS for Alaimo Architecture Inc. be increased by \$3,200, to a total value of \$223,008.

Contribution to Sustainability

An integral part of a sustainable city is effective asset management. Infrastructure investments ensure that optimal service is provided to residents. The fitness expansion and renovation at FEBCC will maximize the return on the City's capital and operating investments and ensure that acceptable levels of service are maintained at this municipal facility, for the health and well-being of its citizens.

Economic Impact

Sufficient funds are available within the approved Capital Project BF-8285-11, FEBCC Fitness Centre Expansion for the recommended increase of \$3,200 to Purchase Order 6494OS.

The project has been completed within the approved capital project budget.

Communications Plan

Not applicable.

Purpose

The purpose of this report is to provide an update on the status of Capital Project BF-8285-11, FEBCC Fitness Centre Expansion, and obtain Council approval for a contract amendment to Purchase Order 6494OS.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 16, 2016

Item 1, CW Report No. 7 – Page 2

Background - Analysis and Options

Construction has been completed within the approved budget and contingency allowance

At the Council meeting held on June 24, 2014, Tender T14-024 was awarded to Percon Construction (Percon) for the construction of the fitness centre expansion at FEBCC. As part of the award, a 10% contingency allowance of \$278,000 was also approved. At the Council meeting held on December 9, 2014 an additional contingency allowance of \$246,100 was approved, for a total contingency allowance of \$524,100. At the completion of all construction activities, the total value of Change Orders issued to Percon was \$484,272.69, which is within the approved contingency allowance.

The FEBCC Fitness Expansion & Renovation Project was substantially completed and certified by the Project Architect on May 28, 2015. Following substantial completion, a deficiency list was prepared for Percon, with input from both Staff and the Project Architect, Alaimo Architecture Inc. (Alaimo). Staff confirm that all items on the deficiency list have been addressed by Percon. Staff also confirm that many of the citizens that use the FEBCC are pleased with the rectification of the identified deficiencies.

As a result, the project is now under a 1 year warranty, until May 28, 2016.

A ribbon-cutting ceremony was held on October 3, 2015 to officially open the new facility.

The FEBCC Fitness Expansion & Renovation Project is now in the close-out phase and final payment to Alaimo is required

In 2012, Tender T12-364 for Architectural services was awarded to Alaimo Architecture Inc. for \$75,160 for work on the FEBCC Fitness Centre Expansion. In 2014, Council approved an increase to Purchase Order 64940S (Item 44, Report No. 30 COW) for additional consulting services due to a change in scope. The total approved revised budget was \$207,240. In 2015, an increase in the purchase order, totaling \$12,568, was approved through the Interim City Manager and Commissioner of Finance.

With all construction activities complete and deficiencies rectified, the project is now in the close-out phase and a final payment of \$3,200 is required. The project architect, Alaimo, was needed to review and confirm completion of all outstanding deficiencies. The deficiencies were rectified and this was confirmed in October 2015. As a result, a final payment of \$3,200 to Alaimo is required to cover the architect's insurance extension for the months of July, August, September & October of 2015. Sufficient funds are available within the approved Capital Project BF-8285-11 to cover this expense.

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

The FEBCC Fitness Expansion & Renovation Project supports the Term of Council Priority: *Invest, review and manage infrastructure and assets.*

Regional Implications

Not applicable.

Conclusion

The construction of the Fitness Expansion & Renovation project at FEBCC has been completed. All deficiencies have been addressed and the project is now under warranty until May 28, 2016.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF FEBRUARY 16, 2016

Item 1, CW Report No. 7 – Page 3

Attachments

Not applicable.

Report prepared by:

Gabriel Wong, Manager of Building Construction, Infrastructure Delivery, Ext. 8101

TO: HONOURABLE MAYOR AND MEMBERS OF COUNCIL

FROM: PAUL JANKOWSKI, DEPUTY CITY MANAGER, PUBLIC WORKS
JACK GRAZIOSI, DIRECTOR OF INFRASTRUCTURE DELIVERY

DATE: FEBRUARY 12, 2016

SUBJECT: **COUNCIL – FEBRUARY 16, 2016**
FITNESS EXPANSION & RENOVATION PROJECT AT FATHER ERMANNO BULFON
COMMUNITY CENTRE - PROJECT UPDATE AND CONTRACT AMENDMENT
(WARD 2)

C	6
Item #	1
Report No.	7 (cw)
Council - February 16/16	

Recommendation

The Deputy City Manager, Public Works and the Director of Infrastructure Delivery, in consultation with the Chief Financial Officer and City Treasurer, recommend:

1. That this communication be received for information purposes.

Purpose

This project has a long history which has been reported in the following Reports/Communications:

1. Council Report & Communication – June 24, 2015 – Tender Award for Construction Services & Contract Amendment for Architectural Services
2. Council Report & Communication – December 9, 2015 – Amendment to Contingency Allowance for Construction Services

At the Committee of the Whole meeting of February 2, 2016, Council requested staff to prepare a communication summarizing the final itemized project costs and components as reported on during the life of the project. Also included is a summary of process improvements which staff are, or will be, implementing for future capital projects, reflecting the organization's focus on continuous improvement and addressing issues which this project history has brought forward.

Background

The total project costs \$3,755,552 include Architectural Services, Construction Services, Project Control Services, 3% Administration Recovery, Transfer to Reserve and other ancillary costs

Table 1 below provides a financial summary of Capital Project BF-8285-11 FEBCC Fitness Centre Expansion & Renovation.

TABLE 1: TOTAL PROJECT COSTS	
	\$
Construction Services Contract – Percon Construction Inc.	3,264,273
Architectural Services Contract – Alaimo Architectural Inc. - <i>Note 1</i>	223,008
Project Control Services Contract – MHPM Project Managers Inc.	74,675
Other ancillary costs	14,811
Transfer to Reserve	69,400
Sub-Total	3,646,167
Administration Recovery (3%)	109,385
Total Project Costs	3,755,552

Note 1 - Includes \$3,200 change order proposed in Committee of the Whole Item 1, Feb 2, 201

TABLE 2: PROJECT FUNDING POSITION SUMMARY BF-8285-11	
Approved Budget	3,835,895
Less: Total Costs	(3,755,552)
Balance Remaining	80,342

The project was completed within the approved capital budget with a surplus of approximately \$80,342 which will be returned to the original funding source after the project is closed.

The construction services contract was completed at a total cost of \$3,264,273 and the architectural services contract totaled \$223,008

The Table below provides a detailed financial summary of both the architectural and construction services utilized for the FEBCC fitness expansion and renovation project.

TABLE 3: CONSTRUCTION AND ARCHITECTURAL SERVICES AWARD				
Date	Authority	Description	Architectural Services	Construction Services
Oct 24, 2012	Director of Purchasing Services	Awarded Tender T12-364 for Architectural Services to Alaimo Architect Inc (Alaimo)	\$75,160	
Apr 30, 2014	Director of Purchasing Services	Amended Contract during Design Phase for additional consulting services for the increased area of expansion	\$13,000	
Jun 24, 2014	Council	Amended Contract during Design Phase for additional consulting services for the increased area of expansion & renovation and the associated structural, mechanical & electrical engineering design work	\$119,080	
Jun 24, 2014	Council	Awarded Tender T14-024 for Construction Services to Percon Construction (Percon)		\$2,780,000
Jun 24, 2014	Council	Approved a 10% Contingency Allowance for Construction Services to Percon.		\$278,000
Dec 9, 2014	Council	Amended Contingency Allowance for Construction Services to Percon for risks identified at the time.		\$246,100
Oct 2014 to May 2015	Interim City Manager	Amended Contract for Additional Services during Construction Phase	\$12,568	
Feb 2, 2016	Council	Request to amend Contract for Architectural Insurance Extension from July to October 2015	\$3,200	
		TOTAL AWARD AMOUNT (excluding HST) - Note 2	\$223,008	\$3,304,100
		Less: Actual Project Costs	223,008	3,264,273
		BALANCE REMAINING	\$0	\$39,827

Note 2 – Total Award Amount includes the tender award amount and approved contingency allowance

Please note that the total value of approved payments to Percon Construction is \$3,264,273 at project completion, which is \$39,827 lower than the total award amount, as a result of the identified risks in December 2014 being remediated.

During construction of the fitness expansion and renovation project, all change orders were reviewed and issued by the Architect

Prior to executing a contractor's change order, it is common practice that the Architect review, evaluate and negotiate an appropriate cost to implement the change prior to issuing the change order. As part of the Father Ermanno Bulfon Community Centre (FEBCC) fitness expansion and renovation project, all change orders executed by staff to the General Contractor were processed and issued by the Architect. A single change order was issued during the close-out phase that was only reviewed by City staff, as it occurred after the Architect's assignment had expired. However, this change order was a credit to the construction contract that addressed the deletion of very minor work.

As with all projects, and in reflection of this organization's focus on continuous improvement, staff continues to refine our capital delivery approval processes to address some challenges highlighted through the delivery of this project

The scope of work in the original tender in 2012 for architectural services lacked specificity, resulting in multiple changes in the architectural contract as shown on Table 3. Redefining the scope of work after project initiation has cost/schedule implications and may also adversely affected the overall quality of the construction documents due to coordination errors.

Processes have been refined to place greater focus on project planning activities which will improve overall execution and delivery during construction

Since the time that the Tender document for the architectural services was developed for this project, City staff has increased the focus on project planning activities. Although this additional focus requires additional staff time and financial resources, it is an essential step to mitigate potentially larger project risks during design and construction. As a result, a more comprehensive Terms of Reference is included in these types of assignments which better define responsibilities, expectations and deliverables. The responses from the design services providers are more detailed, allowing staff to evaluate the proponents thoroughly before recommendations to retain one are considered by staff or Council.

Project management processes now also include better scope verification and validation activities that will reduce the total number of change orders that may be encountered during the construction phase. This increased focus results in more accurate estimates developed throughout the different project planning activities and minimize the potential for budget exceedance.

During construction, active project management activities will include cost engineering

As the construction phase commences, oversight of activities will continue. Through this active project management, greater efforts can be placed on mitigating any additional costs that may arise during construction, with an added benefit that any additional funding requests that may be needed, can be approved before additional work is authorized by staff, with input from designers, or other oversight professionals deemed required to supplement staff's expertise.


Conclusion

The total project has been successfully completed within original project budget allocated in the 2011 capital budget, however, staff continues to refine the City's project delivery processes to ensure that future design and construction contracts are more accurately estimated and delivered within the contracted prices


Report prepared by:

Gabriel Wong, Manager of Design & Construction, Infrastructure Delivery, Ext. 8101

Respectfully submitted,



Paul Jankowski
Deputy City Manager, Public Works



for Jack Graziosi
Director of Infrastructure Delivery

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