



C5  
Communication  
FAA - June 19/17  
Item #4

## memorandum

**DATE:** JUNE 19, 2017

**TO:** MAYOR AND MEMBERS OF COUNCIL

**FROM:** JOHN MACKENZIE, DEPUTY CITY MANAGER PLANNING & GROWTH  
MANAGEMENT  
ANDREW PEARCE, DIRECTOR OF DEVELOPMENT ENGINEERING AND  
INFRASTRUCTURE PLANNING

**SUBJECT:** COMMUNICATION  
FINANCE, ADMINISTRATION & AUDIT COMMITTEE – JUNE 19, 2017  
ITEM NO. 4, MILLWAY AVENUE RECONSTRUCTION UPDATE  
CAPITAL BUDGET AMENDMENT  
VAUGHAN METROPOLITAN CENTRE  
WARD 4

### Recommendation

The Deputy City Manager, Planning & Growth Management and the Director of Development Engineering and Infrastructure Planning, in consultation with the Director of Financial Planning and Development Finance and Deputy City Treasurer, recommend:

1. THAT Capital Budget DT-7065-11 be increased by a further \$840,000 to adequately fund the construction and contract administration for the Millway Avenue reconstruction project, with funding from City-wide Development Charges.

### Economic Impact

The additional budget request of \$840,000 for the Millway Avenue reconstruction project can be accommodated from the City-wide Development Charge Reserve without negatively impacting the Reserve balance.

The resulting total budget for the Millway Avenue Reconstruction project is \$10.077 million as noted in Table 1 below.

Table 1: Project Funding Summary DT-7065-11 Millway Avenue Widening and Realignment	
	Amount
Approved Budget (2011)	\$ 7,137,710.00
Capital Budget Amendment Request (Recommendation 1)	\$ 2,100,000.00
Capital Budget Amendment Request (Recommendation 1 this memo)	\$ 840,000.00
<b>Total revised budget</b>	<b>\$ 10,077,710.00</b>

### Background

SmartREIT is undertaking the design and reconstruction of Millway Avenue between New Park Place and Portage Parkway on behalf of the City as a developer design-build project. The construction tenders for the Millway works were released on May 17, 2017 and closed on June 13, 2017. The bid submissions are currently being reviewed in detail; however, based on the initial results, a budget increase of \$840,000 is required to fund the project as outlined in the Table 2 below.

<b>Table 2: Millway Avenue Reconstruction (New Park Place to Portage Parkway)</b>	
<b>City components -</b>	<b>Current Cost Estimate Based on Tender Results</b>
Millway Avenue – Site mobilization, earthworks, roadworks, underground services, street lighting, landscape and streetscape	\$ 4,150,000.00
10% contingency	\$ 415,000.00
<b>Subtotal Construction Cost</b>	<b>\$ 4,565,000.00</b>
Utility relocations and adjustments	\$ 215,000.00
Engineering, Contract Administration, Testing and Inspection	\$ 460,000.00
Management fee, permits, disbursements, etc.	\$ 300,000.00
<b>Total estimated project cost (excluding applicable taxes)</b>	<b>\$ 5,540,000.00</b>
<b>Available Budget</b>	<b>\$ 4,700,000.00</b>
<b>Additional Required funding</b>	<b>\$ 840,000.00</b>

The majority of the additional budget is required to provide for a typical ten percent contingency allowance and utility relocations and adjustments.

### **An agreement in principle has been reached to cost share the storm by-pass sewer**

At a meeting on June 16, 2017, senior staff from the Toronto Transit Commission, York Region, York Region Rapid Transit Corporation, Smartreit and the City reached an agreement in principle to share the cost of the storm by-pass sewer equally. For the purpose of cost sharing, York Region and York Region Rapid Transit are considered as one entity. Based on the agreed upon cost sharing methodology, the estimated cost of the storm by-pass sewer (\$2.1 million) will be divided by four resulting in each party paying approximately \$525,000 including the City. The City's share of the storm by-pass pipe will be funding from City-wide Development Charges. The necessary agreements are now being prepared to formalize this cost sharing arrangement.

### **Conclusion**

Based on the initial review of the tenders for the reconstruction of Millway Avenue, a budget increase of \$840,000 is required to fund the project.

On June 16, 2017, an agreement in principle was reached amongst the parties with respect to the cost sharing of the storm by-pass pipe. Based upon the agreed cost sharing methodology, the City's share of the sewer works will be approximately \$525,000, which will be funded from City-wide Development Charges.

Respectfully submitted,

  
**JOHN MACKENZIE**  
 Deputy City Manager,  
 Planning & Growth Management

  
**ANDREW PEARCE**  
 Director, Development Engineering  
 & Infrastructure Planning

Copy to: Daniel Kostopoulos, City Manager  
 Stephen Collins, Deputy City Manager, Public Works  
 Laura Mirabella-Siddall, Chief Financial Officer and City Treasurer  
 Tim Simmons, Chief of Corporate Initiatives and Intergovernmental Relations  
 Barbara McEwan, City Clerk  
 Lloyd Noronha, Director, Financial Planning and Development Finance/Deputy City Treasurer