

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 24, 2014

Item 16, Report No. 8, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on June 24, 2014.

16 BUDGET AMENDMENT AND CONTINGENCY FUNDING THORNHILL OUTDOOR POOL – WARD 5

The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Commissioner of Strategic and Corporate Services and the Director of Building and Facilities, dated June 16, 2014:

Recommendation

The Commissioner of Strategic and Corporate Services and the Director of Building and Facilities, in consultation with the Commissioner of Finance and City Treasurer and the Manager of Facilities, recommend:

1. That the award amount for capital project BF-8137-08 Thornhill Outdoor Pool be amended and increased by \$230,700 inclusive of a \$4,000 contingency;
2. That funds of \$14,780 be transferred from capital project BF-8198-08 to BF-8137-08; and
3. That the inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budget identified as Budget Amendment Contingency Funding for Thornhill Outdoor Pool is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002.

Contribution to Sustainability

This report is consistent with the priorities previously set by Council in the Green Directions Vaughan, Community Sustainability Environmental Master Plan, Goal 2, Objective 2.2:

- To develop Vaughan as a City with maximum green space and an urban form that supports our expected population growth.

Economic Impact

Capital project BF-8037-08, Thornhill Outdoor Pool Shell, was approved in the 2008 Capital Budget in the amount of \$669,500. An award of \$366,300 (Construction cost and 10% contingency) was made December 11, 2013 to Acapulco Pools being the lowest bidder on Tender T13-329. Due to the multitude of buried deficiencies that were only discovered during construction, the total cost to complete the capital project is forecasted at \$679,655 (Design work and Construction). An additional award amount of \$230,700 is therefore required, and it can be funded from the remaining approved budget in capital project BF-8037-08 (\$216,000) and by repurposing the remaining funds in project BF-8198-08, Al Palladini Community Centre Whirlpool Replacement, (\$14,780), which is complete and requires no further funding.

Communications Plan

Due to the significant increase in project's the scope of work, the pool will not be open to the public as scheduled on June 28, 2014. Staff will monitor the contractor's progress closely, and once a new opening date has been confirmed (currently anticipated in mid-July), it will be communicated to residents.

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Purpose

The purpose of this report is to seek Council approval to amend and increase the award amount for capital project BF-8137-08 Thornhill Outdoor Pool by \$230,700, to \$679,655 and to amend the budget by the associated difference of \$14,780.

Background - Analysis and Options

The Thornhill Outdoor Pool was initially built in 1949 (65 years old), and is comprised of a large 25m pool with 5 swim lanes, and a small wading pool. Both pools, as well as the pool deck are in need of major repairs. Project BF-8137-08 was approved in the 2008 Capital budget and \$669,500 were allocated for these renovations. The project was initially designed and tendered with a Myrtha pool (T11-185). That tender was cancelled as the lowest bidder was substantially over budget. The scope of work was significantly scaled back and redesigned, with a new tender issued on September 27, 2013.

On February 12, 2014, a purchase order was issued to the lowest compliant bidder, Acapulco Pools, for \$333,000. A 10% contingency, in the amount of \$33,300 was also allocated to this project, for a total award amount of \$366,300. An end date of June 5, 2014, was stipulated in the tender, as the pool traditionally opens for public use on June 28, 2014.

During construction, a multitude of unknown buried deficiencies were uncovered, which required immediate action and correction in order for the project to progress. The two most important issues were:

- 1) It was discovered that the existing pool deck was constructed over an older deck that was installed in the late 1960's. Furthermore, it was discovered that portions of the decks were constructed directly on existing soil without any granular bedding. Uncovering this information explains why the upper deck exhibited an unusually high degree of seasonal shifting, cracking and heaving, which resulted in repairs averaging \$20,000 annually.
- 2) Upon removal of the concrete decks, it was discovered that there were problems with the existing circulation piping. There is a potential for excessive pressure in the returns to the pool.

Upon learning of the magnitude of the changes that are necessary to complete the project, and after having received the costs for these changes from the contractor, staff immediately reviewed options and alternatives for cost reductions, bearing in mind that time is of the essence and that the pool is scheduled to open for public use on Saturday, June 28, 2014. After negotiating cost reductions with the contractor, and reducing project scope wherever possible, the forecasted cost to construction completion is approximately \$593,000. Due to the significant increase in the scope of work, Pool opening is now anticipated in mid-July. Staff will work with the Contractor to review options for expediting the schedule.

Once completed, the additional work and the work stipulated in the original project scope will ensure the safe and functional operation of this popular outdoor pool, and will reduce annual operating costs as repairs to the pool deck will no longer be necessary in the near and intermediate future.

The table below captures the Financial Summary:

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Thornhill Outdoor Pool Shell Financial Summary – BF-8137-08	
Approved Capital Budget	\$669,000.00
Less: Expenses/Commitments to Date (Rounded)	
Other(permits/adv):	\$ 970.00
Consulting fees:	\$ 65,900.00
Construction award	\$333,000.00
Amount required to completion	\$226,700.00
Contingency (6%)	\$ 37,300.00
Add: Administration Recovery (3%)	\$ 19,910.00
Funds Required	\$683,780.00
Balance Remaining/(Additional Fund Required) (\$14,780.00)	

AI Palladini CC-Replacement of Whirlpool Financial Summary – BF-8198-08	
Approved Capital Budget	\$103,000.00
Less: Expenses/Commitments to Date (Rounded)	
Construction award	\$ 85,650.00
Add: Administration Recovery (3%)	\$ 2,570.00
Balance Remaining/(Additional Funds Required) \$ 14,780.00	

Thornhill Outdoor Pool Shell-BF-8137-08 AI Palladini CC-Replacement of Whirlpool-BF-8198-08	
Additional Funds Required-BF-8137-08	(\$14,780.00)
Remaining Funds-BF-8198-08	\$14,780.00
Surplus	\$ 0.00

The demolition and removal phases of this project have been completed, and therefore it is not anticipated that further changes to the contract will be necessary. However, in accordance with best Project Management practices, it is recommended to continue to carry a project contingency to completion. The additional contingency to completion is \$4,000 and will only be used to address any further unknown conditions which may be discovered prior to project completion.

At the completion of Project BF-8137-08, both it and capital project BF-8198-08 (which was recently fully completed) can be closed.

Relationship to Vaughan Vision 2020/Strategic Plan

In consideration of the strategic priorities related to Vaughan Vision 2020, the project will provide:

- **STRATEGIC GOAL:**
Service Excellence - Providing service excellence to citizens.
- **STRATEGIC OBJECTIVES:**
Pursue Excellence in Service Delivery; and Enhance and Ensure Community Safety, Health and Wellness - To deliver high quality services and to promote health and wellness through design and program.

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This report is consistent with the priorities previously set by Council and the necessary resources have been allocated.

Regional Implications

Not Applicable

Conclusion

The Thornhill Outdoor Pool is 65 years old. Some of the additions and repairs that were done in previous years, were not up to code, and were not in accordance with best construction practices. Upon performing the work detailed in T13-329, these buried deficiencies were uncovered. Further to negotiating change order costs with the Contractor, and reducing construction costs where possible, the cost of additional work to complete the project has been determined at \$226,700. Once construction has been completed, the Thornhill outdoor Pool will be safe to operate, and in a state of good repairs, which is expected to result in an operational cost savings of approximately \$20,000 per year.

Attachments

N/A

Report prepared by:

Dave Merriman, Manager of Facilities, ext. 8296

BUDGET AMENDMENT AND CONTINGENCY FUNDING THORNHILL OUTDOOR POOL – WARD 5**Recommendations**

The Commissioner of Strategic and Corporate Services and the Director of Building and Facilities, in consultation with the Commissioner of Finance and City Treasurer and the Manager of Facilities, recommend:

1. That the award amount for capital project BF-8137-08 Thornhill Outdoor Pool be amended and increased by \$230,700 inclusive of a \$4,000 contingency;
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3. That the inclusion of this matter on a Public Committee or Council agenda with respect to amending the capital budget identified as Budget Amendment Contingency Funding for Thornhill Outdoor Pool is deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002.

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Attachments

N/A

Report prepared by:

Dave Merriman, Manager of Facilities, ext. 8296

Respectfully submitted,

Joseph Pittari
Commissioner of Strategic and Corporate Services

Michael Shatil
Director of Building and Facilities