

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, 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.

**10 BUDGET AMENDMENT CAPITAL PROJECT DP-9545-15 – VAUGHAN HEALTHCARE
CENTRE PRECINCT STREETSCAPE AND AWARD OF TENDER T15-230
VAUGHAN HEALTHCARE CENTRE – CONTRACT 2 - SITE SERVICING
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, subject to amending recommendation 6. a. to read as follows:**
 - 6. a. The long term noise exemption be approved from October 1, 2015 through to September 30, 2016; 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 Tender T15-230, Vaughan Healthcare Centre – Contract 2 – Site Servicing, be awarded to Con Drain Company (1983) Limited in the amount of \$21,144,290.32, funded from Capital Project CO-0054-09 – Vaughan Hospital Precinct Development, plus applicable taxes and administration recovery;
2. That a contingency allowance in the amount of \$3,172,000.00, plus applicable taxes, be approved within which the Commissioner of Public Works or his designate is authorized to approve amendments to the contract;
3. That a budget amendment in the amount of \$3,750,000.00 funded from City-wide Development Charges - Engineering be approved for Capital Project CO-0054-09 Vaughan Hospital Precinct Development;
4. That \$1,250,000.00 from Capital Project DP-9545-15 Vaughan Healthcare Centre Precinct Streetscape be reallocated to Capital Project CO-0054-09 Vaughan Hospital Precinct Development;
5. That the inclusion of this matter on a Public Committee or Council agenda with respect to the amendment to Capital Project DP-9545-15 Vaughan Healthcare Centre Precinct Landscape be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended;
6. That Con Drain Company (1983) Limited and its agents be granted a long term noise exemption in accordance with the City's Noise By-law 96-2006, whereby:
 - a. The long term noise exemption be approved from October 1, 2015 through to June 30, 2017;
 - b. Construction communication notices be sent to surrounding residents and business owners;

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, Finance Report No. 11 – Page 2

- c. Measures are taken to minimize idling of construction vehicles, avoid unnecessary revving of engines/use of airbrakes and to maintain equipment in good working order (including muffling devices and noise attenuation where appropriate) to minimize noise impacts; and

7. That the Mayor and City Clerk be authorized to sign the appropriate documents.

Contribution to Sustainability

The development of the Vaughan Healthcare Centre 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 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

Increased costs for the infrastructure within the VHCP necessitate a budget amendment

A budget amendment in the amount of \$3,750,000.00 is required as a result of overall increased costs associated with the early works in developing the Vaughan Healthcare Centre Precinct. Additional information is provided in the Background – Analysis and Options section of this report regarding the overall increases in Tender T15-230.

The 2013 Development Background Charge Study identified \$5,000,000.00 from City-wide Development Charges - Engineering for Vaughan Healthcare Campus roadway/infrastructure improvements and streetscapes. Capital Project DP-9454-15 Vaughan Healthcare Center Precinct Streetscape was approved in 2015 for \$1,628,080.00, of which \$1,250,000.00 is for the streetscape works for the Vaughan Hospital Precinct. It is recommended that the \$1,250,000.00 be reallocated and consolidated with capital project CO-0054-09 Vaughan Hospital Precinct Development as T15-230; Vaughan Healthcare Centre – Contract 2 – Site Servicing includes the costs for streetscape works. It is also recommended that the budget amendment of the \$3,750,000.00 be funded from the City-Wide Development Charges – Engineering as Tender T15-230, Vaughan Healthcare Centre – Contract 2 – Site Servicing includes costs for roadway and infrastructure works.

The funding of approximately \$3M originally apportioned for infrastructure to service Blocks 4 and 5 (See Attachment No. 1 – Location Map) will be depleted as a result of being re-allocated to address the current funding needs for the VHCP. As well these funds may not be required depending on how these blocks are developed in the future. However, any residual funds will be transferred back to the original funding source upon completion of the project.

With the budget amendment of \$3,750,000.00 sufficient funds will be available in the capital project to award T15-230, Vaughan Healthcare Centre – Contract 2 – Site Servicing with \$21,740,000 funded from the annual tax levy established by Council on June 15, 2009 and \$3,750,000 funded from City-Wide Development Charges – Engineering.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, Finance Report No. 11 – Page 3

A Municipal Infrastructure Plan and Cost Sharing Agreement with Mackenzie Health has been executed

As previously reported to Council, discussions regarding the apportionment of capital costs for the development of the land to form the basis of a cost sharing agreement had been ongoing with Mackenzie Health (MH). A Municipal Infrastructure Plan and Cost Sharing Agreement was executed on July 2, 2015. Mackenzie Health has also been advised of the results of Tender T15-230 and the impact to cost sharing on the specific elements of infrastructure.

The City has proceeded with the detailed design and construction of the required infrastructure in order to meet the Hospital development timeline requirements with the future proportionate cost-recovery from MH. Any residual funds will be transferred back to the original funding source upon completion of the project.

Communications Plan

Once the project is awarded, staff will advise the Mayor and Members of Council and will distribute a newsletter to the affected residents and businesses in the area.

Purpose

To obtain Council approval for the award of Tender T15-230 for the Vaughan Healthcare Centre – Contract 2 Site Servicing, and budget amendment to Capital Project DP-9545-15 Vaughan Healthcare Centre Precinct Streetscape.

Background – Analysis and Options

Development of the Healthcare Precinct and of the Mackenzie Vaughan Hospital site is dependent on municipal road connections and municipal servicing solutions

The Vaughan Healthcare Centre Precinct is located in the northwest quadrant of Major Mackenzie Drive and Jane Street, bounded by Highway 400 to the west, a residential community to the north, Jane street to the east and Major Mackenzie Drive to the south (Attachment 1).

The City of Vaughan acquired 33.2 ha (82 acres) parcel of land on the northwest quadrant of Major Mackenzie Drive and Jane Street for an urban Vaughan Healthcare Centre Precinct Plan (VHCPP) and 2 ha (5 acres) parcel south of Major Mackenzie Drive, as a potential future transit hub.

City Council approved the Vaughan Healthcare Centre Precinct Plan, identifying all road and water, wastewater and stormwater servicing requirements in November 2013

In November 2013, Council approved the final Vaughan Healthcare Centre Precinct Plan (VHCPP). Among other things, this plan identified the site (Block 2) of the new Mackenzie Vaughan Hospital (MVH) within the Vaughan Healthcare Precinct (VHCP), and a coordinated integrated infrastructure network of roads, stormwater, water and wastewater servicing needs which will serve both the MVH site and the remaining developable lands in the City's Precinct. The City has approved the VHCPP to illustrate and guide development of the site. The City is in the process of completing a Draft Plan of Subdivision to fulfill Planning Act approval requirements.

The Ontario Ministry of Health and Long-Term Care has committed to undertaking the MVH development. On June 29, 2015, Infrastructure Ontario (IO) issued a Request for Proposals to the three teams shortlisted to design, build, finance and maintain the new Mackenzie Vaughan Hospital project. IO has indicated that the winning group is expected to be announced in spring 2016, with construction scheduled to follow soon after.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, Finance Report No. 11 – Page 4

City representatives have been notified that IO requires an “unencumbered” MVH land site (free of all easements) by this time. The above mentioned works will ensure that an “unencumbered” site can be provided based on the required timelines.

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

City representatives have been notified that IO requires an “unencumbered” MVH land site (free of all easements) as the lands within the Vaughan Healthcare Precinct were encumbered with historic road infrastructure serving Cedar Fair (Canada’s Wonderland) and drainage channels crossing the precinct.

In order to prepare the lands within the VHCPP, construction activities are intended to be phased through separate contracts. The first stage of construction was tendered under T14-072 (Contract1) and included:

- earthworks and site grading (site clearing, removal of existing roads and services)
- new traffic signals at Major Mackenzie Drive, including illumination and pavement markings
- construction of new road network to modify access/egress to Canada's Wonderland
- SWM pond, channel and new culvert installation

The second stage of infrastructure for the VHCPP is contained within Tender T15-230 and consists of:

- internal sewer, water and storm water servicing
- sanitary pumping station
- internal roads, sidewalks and street lighting
- new traffic signals at Jane Street, and
- streetscaping and landscaping features

The above mentioned works will ensure that an “unencumbered” site can be provided based on the required timelines.

The City pre-qualified general contractors for Tender T15-230, with the experience and ability to successfully carry out the scope of this project

To ensure the on-going coordination of these works, the City sought submissions from experienced and qualified general contractors. By prequalifying general contractors, the City can reduce the level of uncertainty and risk that is associated with construction projects particularly given the scope and the timelines associated with this project.

Request for Pre-Qualification (RFPQ)14-252 was issued on July 17, 2014 and advertised on Bidding, Daily Commercial News, City's webpage and OPBA, with a closing date of August 5, 2014. A total of 12 compliant submissions were received. On August 25, 2014, the Pre-Qualification Evaluation Committee (Committee) met to evaluate the written submissions. Representatives from Engineering Services and Development/Transportation Engineering, with facilitation provided by Purchasing Services, met to review and evaluate the submitted proposals.

A combined score of 75 points was stipulated in the RFPQ document as the threshold score for prequalifying a general contractor.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, Finance Report No. 11 – Page 5

Further to completing both phases, the Committee recommended that the following three (3) contractors be prequalified:

1. Con Drain Company (1983) Limited
2. KAPP Contracting Inc.
3. TACC Construction Limited

The proposals received from the above mentioned contractors demonstrated their financial and technical ability to successfully carry out the scope of this project. Each of the three proponents identified similar projects, in both size and scope that they have recently completed. As a result, each received a score that met or exceeded the 75 points stipulated in the RFPQ document. References were checked as part of the contractor prequalification process for all successful bidders and were deemed satisfactory.

On August 17, 2015, bids were received for T15-230, Vaughan Healthcare Centre – Contract 2 Site Servicing.

Since the contractors were pre-qualified there was no requirement to advertise this Tender. The Tender was available for pick up on July 9, 2015 and closed on August 17, 2015. A mandatory bidders meeting was held on July 23, 2015 with representatives from each of the prequalified contractors in attendance. A total of 3 sets of bid documents were picked up from the Purchasing Services Department. Of the 3 sets of bid documents received, 1 was identified to be non-compliant. The following 2 compliant bids were reviewed:

<u>Contractor</u>	<u>Total Bid Amount (excl. H.S.T.)</u>
Con Drain Company (1983) Limited	\$ 21,144,290.32
TACC Construction Limited	\$ 21,913,954.02

The estimated cost for the construction of this project is \$25,486,584.73 and is calculated as follows:

Con Drain Company (1983) Limited Bid Price (excluding H.S.T.)	\$21,144,290.32
Contingency Allowance (approx. 15%)	\$3,172,000.00
Sub-Total	\$24,316,290.32
H.S.T. (1.76%) Not Recoverable	\$427,966.70
Total	\$24,744,257.02
Administration Recovery (3%)*	\$742,327.71
Net Total Cost	\$25,486,584.73

ROUNDED \$25,490,000.00

Funding for the award is as follows:

Annual Tax Levy (approved June 2009)	\$21,740,000.00
City-Wide Development Charges - Engineering	\$3,750,000.00
Total	\$25,490,000.00

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, Finance Report No. 11 – Page 6

The project is considered to be high in complexity with a mostly defined scope with some uncertainties. In accordance with the Contingency Matrix (identified in Appendix 1 of the Capital Project Financial Administration and Reporting Policy), a contingency allowance of 15% has been identified as an appropriate amount to address any unforeseen work in completing the scope of this project considering the compressed schedule in completing the detailed design. In addition, provisions have been made within the contract for early completion incentives that only if achieved, will be applied through the approved contingency allowance.

Analysis of the bid results has been completed, identifying that the second stage of the project has exceeded earlier budget estimates.

Analysis of Tender T15-230 results indicates increased costs of approximately \$3.9 million for landscaping within the Vaughan Healthcare Centre Precinct

The landscape framework for the VHCP establishes opportunities and guidelines for “place making” to engage people in the public realm. To respond to the anticipated pedestrian traffic and activities for all ages and abilities, and to encourage transit use, the streetscapes within the VHCP are designed at an enhanced level of service, in accordance with the Council approved City-Wide Streetscape Implementation Manual and Financial Strategy. The streetscape development concept includes strategic clustering of street amenities, design to support a healthy urban forest, and flexibility for future growth into a mixed-use community. The plan also incorporates a significant multi-use trail system and substantial planting buffer of tall hedgerow screens and a double row of large canopy shade trees along the north interface of the Precinct. A gateway landform at the entrance (from Major Mackenzie Drive) uses fill from the earlier contract works to reduce overall costs. In order to maximize cost efficiencies the landscape and streetscape works need to be completed with the site servicing works to deliver an unencumbered site and reduce the potential risk of disruption to future operations of MVH. Capital Project DP-9545-15 Vaughan Healthcare Precinct Streetscape includes \$1,250,000 million for streetscapes and it is recommended that this portion of the project be reallocated to Capital Project CO-0054-09 Vaughan Healthcare Precinct Development to consolidate the works to be completed under Tender T15-230.

Analysis of Tender T15-230 results also identifies increased costs from earlier estimates for the construction of the sanitary sewer on Major Mackenzie Drive

Through the detailed design, a 375mm diameter PVC sanitary sewer was identified to be constructed on the north side of Major Mackenzie Drive, at a depth of up to 10m deep. Through earlier activities, a high water table was discovered in this area, which will impact a contractor's pricing of these works. In addition, space limitations further constrain the work site which impacts pricing, as well as the highly travelled roadway on Major Mackenzie. Upon review of these variables, not originally accounted for in the infrastructure estimates, the additional costing reflected in the pricing of the sanitary sewer is appropriate based on the above mentioned site conditions.

Based on the review by staff, it is appropriate to award T15-230 for the Vaughan Healthcare Centre – Contract 2 Site Servicing to Con Drain Company (1983) Limited

References were previously confirmed through the prequalification process and Con Drain Company (1983) Limited, who has completed similar projects, is deemed qualified to undertake this project. An analysis of the bids was undertaken and the lowest tendered price is appropriate to complete the scope of work. The underlying difference in the bids was attributed to the individual capabilities of the general contractors to import and export soil material as part of the site grading and earthworks. Therefore, it is appropriate to award this contract to the lowest compliant and responsive bidder, Con Drain Company (1983) Limited.

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF SEPTEMBER 16, 2015

Item 10, Finance Report No. 11 – Page 7

Any residual funds will be transferred back to the original funding source upon completion of the project.

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 Hospital Precinct Development, and completing the servicing of the lands for the new Mackenzie Vaughan Hospital in partnership with Mackenzie Health, will ultimately provide a new much-awaited hospital and healthcare facility for Vaughan, thus contributing to fulfilment of this vital Strategic Objective.

Regional Implications

The Region of York continues to be a participating stakeholder for the required approvals during the detailed design and construction of infrastructure related to the development of the Precinct Plan.

Conclusion

Staff recommends that Tender T15-230 for the Vaughan Healthcare Centre – Contract 2 Site Servicing be awarded to Con Drain Company (1983) Limited in the amount of \$21,144,290.32, plus applicable taxes, reflecting the lowest compliant and responsive bid. A budget amendment of \$3,750,000 will be required for Capital Project CO-0054-09 Vaughan Hospital Precinct Development.

Attachments

1. Location Map

Report Prepared by:

Jack Graziosi, Director, Capital Delivery and Asset Management, ext. 8201

Jackie Macchiusi, Senior Manager, Corporate Financial Planning & Analysis, ext. 8267

Rob Bayley, Manager, Urban Design, ext. 8254

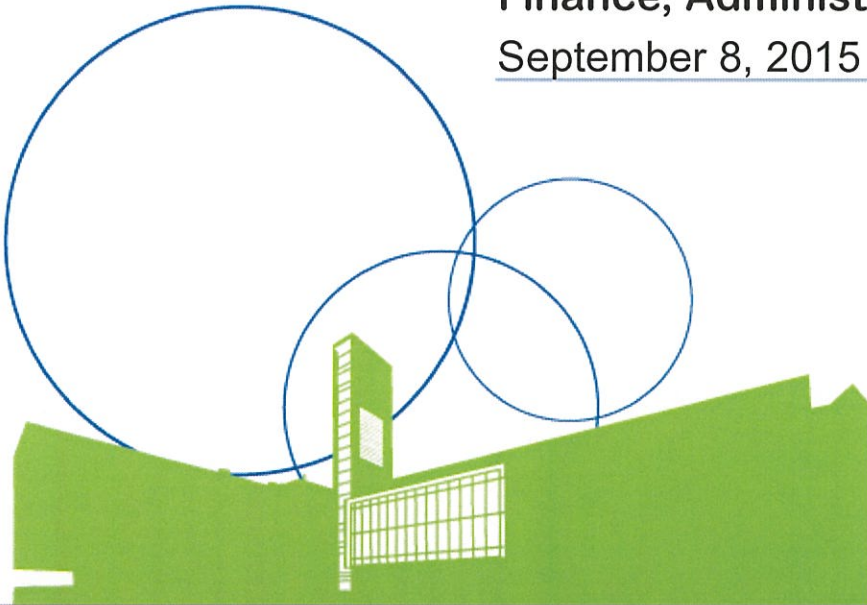
(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

Vaughan Healthcare Centre Precinct

“moving forward with the site of our new hospital”

Finance, Administration and Audit Committee

September 8, 2015



Where We Are Today

- Awarding the final City servicing contract to support the construction of the Mackenzie Vaughan Hospital
 - new intersection on Jane Street to be opened in June 2016
 - City streets to be opened to traffic by October 2016
 - watermains, sanitary and storm sewers
 - streetscaping and landscaping
- Amend related projects and reconcile budget allocations



2015 Project Success

DATE	ACHIEVEMENT
May	City and Mackenzie Health sign 99-year lease for land
June 29	The Province announces release of requests for proposals for the three teams shortlisted to design, build, finance and maintain new hospital
July 2	City and Mackenzie Health sign Municipal Infrastructure and Cost Sharing Agreement
July 9	City issues contract for phase 2 of early works
September	Phase 1 of early works are complete



Funding Sources

All City works are being funded from multiple sources:

- **Municipal Infrastructure and Cost-sharing Agreement with Mackenzie Health**
 - For eligible municipal infrastructure
- **Tax levy (\$80 million)**
 - Land purchase = \$60.8 million
 - Remainder allocated to site preparation, servicing and “place making” within the healthcare precinct
- **Sewer reserve**
 - For stormwater sewer improvements near site
- **City-wide development charges**
 - For new roads and related works

**No additional tax
impact**



Funding Breakdown

Figures in \$millions

	Tax levy	Sewer reserve	DCs	Total
Land purchase	60.8			60.8
Site preparation and servicing	32.1	4.6	5.0	41.7
TOTAL	92.9	4.6	5.0	102.5
Eligible for cost sharing	-15.9			-15.9
Remaining	77.0	4.6	5.0	86.6

Capital projects to fund City's share	Tax levy	Sewer reserve	DCs	Total
CO-0054-09*	80.0		5.0	85.0
CO-0074-14*		4.6		4.6
TOTAL	80.0	4.6	5.0	89.6

Residual funds	3.0	0.0	0.0	3.0
-----------------------	------------	------------	------------	------------



5

*If agenda items nos. 7, 8, 9 and 10 are approved.

Notes: Some numbers may not add due to rounding. Numbers are based on estimates and subject to completion of work.

Decision Requested – Item No. 10

- Final contract for municipal early works on the health precinct lands
- Lowest compliant bidder is Con Drain Co. Ltd.
- Budget = \$25.5 million
 - Includes award of \$21.1 million, plus 15% contingency and taxes and administration
- Budget amendment requested to include previously identified development charge funding for road works



Decision Requested – Item No. 9

- Original budget = \$9.7 million
- Award amendment = \$1.6 million plus taxes and administration (includes a budget amendment for additional storm sewer)
 - This will cover additional storm-sewer improvements, streetlights on Amusement Drive and Coaster Way, earthworks and signalized intersection at Major Mackenzie Drive completed by Con Drain Co. Ltd. under contract 1



7

Additional details on pages 9.5 and 9.7

Decision Requested – Item No. 7

- Current approved award value = \$729,000
- Award amendment = \$512,000 plus taxes and administration
 - This will cover additional time required to manage the early works contracts
 - Contract management and administration are being performed by Cole Engineering Group Ltd.

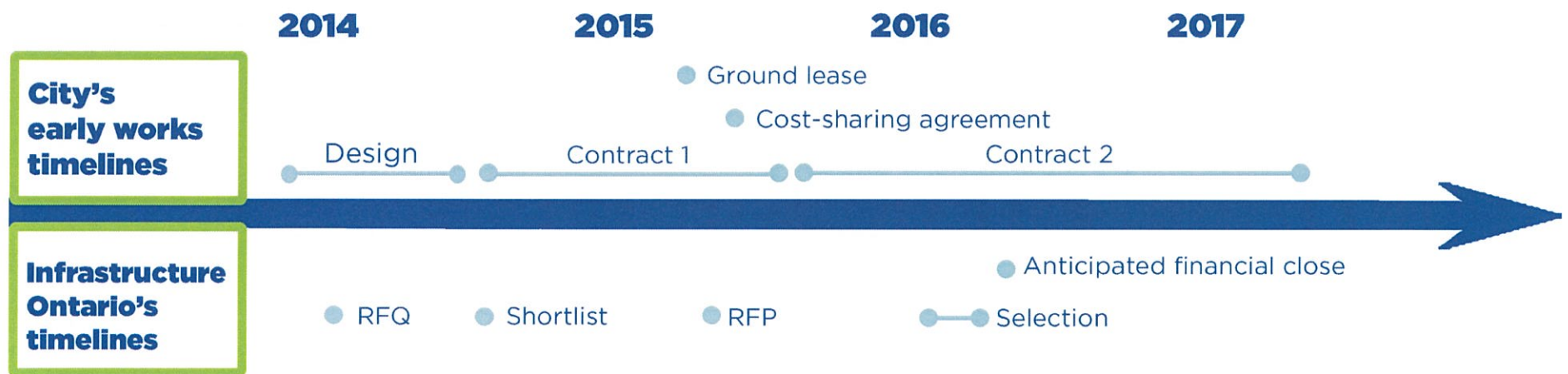


Decision Requested – Item No. 8

- Original budget = \$166,000
- Award amendment = \$309,720 plus taxes and administration
 - This will cover both additional time and services to reflect the increased complexity of co-ordinating with Infrastructure Ontario, cost sharing with Mackenzie Health, and the timelines for contract 2
 - Project controls and risk management are being performed by p2i Strategies Ltd.



Overlap of Timelines



Summary

- City has worked hard to accelerate municipal early works – an integral part in the Mackenzie Vaughan Hospital project
- Lays the groundwork to move forward with our new hospital
- Landscaping that promotes “place making” to improve health and wellness
- Budget amendments allocate costs to appropriate funds with no additional tax impacts
- Completion of phase 2 ensures hospital site is “unencumbered” – a requirement of Infrastructure Ontario – and aligns with project timelines



**BUDGET AMENDMENT CAPITAL PROJECT DP-9545-15 – VAUGHAN HEALTHCARE CENTRE PRECINCT STREETSCAPE AND AWARD OF TENDER T15-230 VAUGHAN HEALTHCARE CENTRE – CONTRACT 2 - SITE SERVICING
WARD 1****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 Tender T15-230, Vaughan Healthcare Centre – Contract 2 – Site Servicing, be awarded to Con Drain Company (1983) Limited in the amount of \$21,144,290.32, funded from Capital Project CO-0054-09 – Vaughan Hospital Precinct Development, plus applicable taxes and administration recovery;
2. That a contingency allowance in the amount of \$3,172,000.00, plus applicable taxes, be approved within which the Commissioner of Public Works or his designate is authorized to approve amendments to the contract;
3. That a budget amendment in the amount of \$3,750,000.00 funded from City-wide Development Charges - Engineering be approved for Capital Project CO-0054-09 Vaughan Hospital Precinct Development;
4. That \$1,250,000.00 from Capital Project DP-9545-15 Vaughan Healthcare Centre Precinct Streetscape be reallocated to Capital Project CO-0054-09 Vaughan Hospital Precinct Development;
5. That the inclusion of this matter on a Public Committee or Council agenda with respect to the amendment to Capital Project DP-9545-15 Vaughan Healthcare Centre Precinct Landscape be deemed sufficient notice pursuant to Section 2(1)(c) of By-Law 394-2002 as amended;
6. That Con Drain Company (1983) Limited and its agents be granted a long term noise exemption in accordance with the City's Noise By-law 96-2006, whereby:
 - a. The long term noise exemption be approved from October 1, 2015 through to June 30, 2017;
 - b. Construction communication notices be sent to surrounding residents and business owners;
 - c. Measures are taken to minimize idling of construction vehicles, avoid unnecessary revving of engines/use of airbrakes and to maintain equipment in good working order (including muffling devices and noise attenuation where appropriate) to minimize noise impacts; and
7. That the Mayor and City Clerk be authorized to sign the appropriate documents.

Contribution to Sustainability

The development of the Vaughan Healthcare Centre 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 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

Increased costs for the infrastructure within the VHCP necessitate a budget amendment

A budget amendment in the amount of \$3,750,000.00 is required as a result of overall increased costs associated with the early works in developing the Vaughan Healthcare Centre Precinct. Additional information is provided in the Background – Analysis and Options section of this report regarding the overall increases in Tender T15-230.

The 2013 Development Background Charge Study identified \$5,000,000.00 from City-wide Development Charges - Engineering for Vaughan Healthcare Campus roadway/infrastructure improvements and streetscapes. Capital Project DP-9454-15 Vaughan Healthcare Center Precinct Streetscape was approved in 2015 for \$1,628,080.00, of which \$1,250,000.00 is for the streetscape works for the Vaughan Hospital Precinct. It is recommended that the \$1,250,000.00 be reallocated and consolidated with capital project CO-0054-09 Vaughan Hospital Precinct Development as T15-230; Vaughan Healthcare Centre – Contract 2 – Site Servicing includes the costs for streetscape works. It is also recommended that the budget amendment of the \$3,750,000.00 be funded from the City-Wide Development Charges – Engineering as Tender T15-230, Vaughan Healthcare Centre – Contract 2 – Site Servicing includes costs for roadway and infrastructure works.

The funding of approximately \$3M originally apportioned for infrastructure to service Blocks 4 and 5 (See Attachment No. 1 – Location Map) will be depleted as a result of being re-allocated to address the current funding needs for the VHCP. As well these funds may not be required depending on how these blocks are developed in the future. However, any residual funds will be transferred back to the original funding source upon completion of the project.

With the budget amendment of \$3,750,000.00 sufficient funds will be available in the capital project to award T15-230, Vaughan Healthcare Centre – Contract 2 – Site Servicing with \$21,740,000 funded from the annual tax levy established by Council on June 15, 2009 and \$3,750,000 funded from City-Wide Development Charges – Engineering.

A Municipal Infrastructure Plan and Cost Sharing Agreement with Mackenzie Health has been executed

As previously reported to Council, discussions regarding the apportionment of capital costs for the development of the land to form the basis of a cost sharing agreement had been ongoing with Mackenzie Health (MH). A Municipal Infrastructure Plan and Cost Sharing Agreement was executed on July 2, 2015. Mackenzie Health has also been advised of the results of Tender T15-230 and the impact to cost sharing on the specific elements of infrastructure.

The City has proceeded with the detailed design and construction of the required infrastructure in order to meet the Hospital development timeline requirements with the future proportionate cost-recovery from MH. Any residual funds will be transferred back to the original funding source upon completion of the project.

Communications Plan

Once the project is awarded, staff will advise the Mayor and Members of Council and will distribute a newsletter to the affected residents and businesses in the area.

Purpose

To obtain Council approval for the award of Tender T15-230 for the Vaughan Healthcare Centre – Contract 2 Site Servicing, and budget amendment to Capital Project DP-9545-15 Vaughan Healthcare Centre Precinct Streetscape.

Background – Analysis and Options

Development of the Healthcare Precinct and of the Mackenzie Vaughan Hospital site is dependent on municipal road connections and municipal servicing solutions

The Vaughan Healthcare Centre Precinct is located in the northwest quadrant of Major Mackenzie Drive and Jane Street, bounded by Highway 400 to the west, a residential community to the north, Jane street to the east and Major Mackenzie Drive to the south (Attachment 1).

The City of Vaughan acquired 33.2 ha (82 acres) parcel of land on the northwest quadrant of Major Mackenzie Drive and Jane Street for an urban Vaughan Healthcare Centre Precinct Plan (VHCPP) and 2 ha (5 acres) parcel south of Major Mackenzie Drive, as a potential future transit hub.

City Council approved the Vaughan Healthcare Centre Precinct Plan, identifying all road and water, wastewater and stormwater servicing requirements in November 2013

In November 2013, Council approved the final Vaughan Healthcare Centre Precinct Plan (VHCPP). Among other things, this plan identified the site (Block 2) of the new Mackenzie Vaughan Hospital (MVH) within the Vaughan Healthcare Precinct (VHCP), and a coordinated integrated infrastructure network of roads, stormwater, water and wastewater servicing needs which will serve both the MVH site and the remaining developable lands in the City's Precinct. The City has approved the VHCPP to illustrate and guide development of the site. The City is in the process of completing a Draft Plan of Subdivision to fulfill Planning Act approval requirements.

The Ontario Ministry of Health and Long-Term Care has committed to undertaking the MVH development. On June 29, 2015, Infrastructure Ontario (IO) issued a Request for Proposals to the three teams shortlisted to design, build, finance and maintain the new Mackenzie Vaughan Hospital project. IO has indicated that the winning group is expected to be announced in spring 2016, with construction scheduled to follow soon after.

City representatives have been notified that IO requires an "unencumbered" MVH land site (free of all easements) by this time. The above mentioned works will ensure that an "unencumbered" site can be provided based on the required timelines.

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

City representatives have been notified that IO requires an "unencumbered" MVH land site (free of all easements) as the lands within the Vaughan Healthcare Precinct were encumbered with historic road infrastructure serving Cedar Fair (Canada's Wonderland) and drainage channels crossing the precinct.

In order to prepare the lands within the VHCPP, construction activities are intended to be phased through separate contracts. The first stage of construction was tendered under T14-072 (Contract1) and included:

- earthworks and site grading (site clearing, removal of existing roads and services)
- new traffic signals at Major Mackenzie Drive, including illumination and pavement markings
- construction of new road network to modify access/egress to Canada's Wonderland
- SWM pond, channel and new culvert installation

The second stage of infrastructure for the VHCPP is contained within Tender T15-230 and consists of:

- internal sewer, water and storm water servicing
- sanitary pumping station
- internal roads, sidewalks and street lighting
- new traffic signals at Jane Street, and
- streetscaping and landscaping features

The above mentioned works will ensure that an “unencumbered” site can be provided based on the required timelines.

The City pre-qualified general contractors for Tender T15-230, with the experience and ability to successfully carry out the scope of this project

To ensure the on-going coordination of these works, the City sought submissions from experienced and qualified general contractors. By prequalifying general contractors, the City can reduce the level of uncertainty and risk that is associated with construction projects particularly given the scope and the timelines associated with this project.

Request for Pre-Qualification (RFPQ)14-252 was issued on July 17, 2014 and advertised on Biddingo, Daily Commercial News, City's webpage and OPBA, with a closing date of August 5, 2014. A total of 12 compliant submissions were received. On August 25, 2014, the Pre-Qualification Evaluation Committee (Committee) met to evaluate the written submissions. Representatives from Engineering Services and Development/Transportation Engineering, with facilitation provided by Purchasing Services, met to review and evaluate the submitted proposals.

A combined score of 75 points was stipulated in the RFPQ document as the threshold score for prequalifying a general contractor.

Further to completing both phases, the Committee recommended that the following three (3) contractors be prequalified:

1. Con Drain Company (1983) Limited
2. KAPP Contracting Inc.
3. TACC Construction Limited

The proposals received from the above mentioned contractors demonstrated their financial and technical ability to successfully carry out the scope of this project. Each of the three proponents identified similar projects, in both size and scope that they have recently completed. As a result, each received a score that met or exceeded the 75 points stipulated in the RFPQ document. References were checked as part of the contractor prequalification process for all successful bidders and were deemed satisfactory.

On August 17, 2015, bids were received for T15-230, Vaughan Healthcare Centre – Contract 2 Site Servicing.

Since the contractors were pre-qualified there was no requirement to advertise this Tender. The Tender was available for pick up on July 9, 2015 and closed on August 17, 2015. A mandatory bidders meeting was held on July 23, 2015 with representatives from each of the prequalified contractors in attendance. A total of 3 sets of bid documents were picked up from the Purchasing Services Department. Of the 3 sets of bid documents received, 1 was identified to be non-compliant. The following 2 compliant bids were reviewed:

<u>Contractor</u>	<u>Total Bid Amount (excl. H.S.T.)</u>
Con Drain Company (1983) Limited	\$ 21,144,290.32
TACC Construction Limited	\$ 21,913,954.02

The estimated cost for the construction of this project is \$25,486,584.73 and is calculated as follows:

Con Drain Company (1983) Limited Bid Price (excluding H.S.T.)	\$21,144,290.32
Contingency Allowance (approx. 15%)	\$3,172,000.00
Sub-Total	\$24,316,290.32
H.S.T. (1.76%) Not Recoverable	\$427,966.70
Total	\$24,744,257.02
Administration Recovery (3%)*	\$742,327.71
Net Total Cost	\$25,486,584.73

ROUNDED \$25,490,000.00

Funding for the award is as follows:

Annual Tax Levy (approved June 2009)	\$21,740,000.00
City-Wide Development Charges - Engineering	\$3,750,000.00
Total	\$25,490,000.00

The project is considered to be high in complexity with a mostly defined scope with some uncertainties. In accordance with the Contingency Matrix (identified in Appendix 1 of the Capital Project Financial Administration and Reporting Policy), a contingency allowance of 15% has been identified as an appropriate amount to address any unforeseen work in completing the scope of this project considering the compressed schedule in completing the detailed design. In addition, provisions have been made within the contract for early completion incentives that only if achieved, will be applied through the approved contingency allowance.

Analysis of the bid results has been completed, identifying that the second stage of the project has exceeded earlier budget estimates.

Analysis of Tender T15-230 results indicates increased costs of approximately \$3.9 million for landscaping within the Vaughan Healthcare Centre Precinct

The landscape framework for the VHCP establishes opportunities and guidelines for “place making” to engage people in the public realm. To respond to the anticipated pedestrian traffic and

activities for all ages and abilities, and to encourage transit use, the streetscapes within the VHCP are designed at an enhanced level of service, in accordance with the Council approved City-Wide Streetscape Implementation Manual and Financial Strategy. The streetscape development concept includes strategic clustering of street amenities, design to support a healthy urban forest, and flexibility for future growth into a mixed-use community. The plan also incorporates a significant multi-use trail system and substantial planting buffer of tall hedgerow screens and a double row of large canopy shade trees along the north interface of the Precinct. A gateway landform at the entrance (from Major Mackenzie Drive) uses fill from the earlier contract works to reduce overall costs. In order to maximize cost efficiencies the landscape and streetscape works need to be completed with the site servicing works to deliver an unencumbered site and reduce the potential risk of disruption to future operations of MVH. Capital Project DP-9545-15 Vaughan Healthcare Precinct Streetscape includes \$1,250,000 million for streetscapes and it is recommended that this portion of the project be reallocated to Capital Project CO-0054-09 Vaughan Healthcare Precinct Development to consolidate the works to be completed under Tender T15-230.

Analysis of Tender T15-230 results also identifies increased costs from earlier estimates for the construction of the sanitary sewer on Major Mackenzie Drive

Through the detailed design, a 375mm diameter PVC sanitary sewer was identified to be constructed on the north side of Major Mackenzie Drive, at a depth of up to 10m deep. Through earlier activities, a high water table was discovered in this area, which will impact a contractor's pricing of these works. In addition, space limitations further constrain the work site which impacts pricing, as well as the highly travelled roadway on Major Mackenzie. Upon review of these variables, not originally accounted for in the infrastructure estimates, the additional costing reflected in the pricing of the sanitary sewer is appropriate based on the above mentioned site conditions.

Based on the review by staff, it is appropriate to award T15-230 for the Vaughan Healthcare Centre – Contract 2 Site Servicing to Con Drain Company (1983) Limited

References were previously confirmed through the prequalification process and Con Drain Company (1983) Limited, who has completed similar projects, is deemed qualified to undertake this project. An analysis of the bids was undertaken and the lowest tendered price is appropriate to complete the scope of work. The underlying difference in the bids was attributed to the individual capabilities of the general contractors to import and export soil material as part of the site grading and earthworks. Therefore, it is appropriate to award this contract to the lowest compliant and responsive bidder, Con Drain Company (1983) Limited.

Any residual funds will be transferred back to the original funding source upon completion of the project.

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 Hospital Precinct Development, and completing the servicing of the lands for the new Mackenzie Vaughan Hospital in partnership with Mackenzie Health, will ultimately provide a new much-awaited hospital and healthcare facility for Vaughan, thus contributing to fulfilment of this vital Strategic Objective.

Regional Implications

The Region of York continues to be a participating stakeholder for the required approvals during the detailed design and construction of infrastructure related to the development of the Precinct Plan.

Conclusion

Staff recommends that Tender T15-230 for the Vaughan Healthcare Centre – Contract 2 Site Servicing be awarded to Con Drain Company (1983) Limited in the amount of \$21,144,290.32, plus applicable taxes, reflecting the lowest compliant and responsive bid. A budget amendment of \$3,750,000 will be required for Capital Project CO-0054-09 Vaughan Hospital Precinct Development.

Attachments

1. Location Map

Report Prepared by:

Jack Graziosi, Director, Capital Delivery and Asset Management, ext. 8201
Jackie Macchiusi, Senior Manager, Corporate Financial Planning & Analysis, ext. 8267
Rob Bayley, Manager, Urban Design, ext. 8254

Respectfully submitted,

Paul Jankowski
Commissioner of Public Works

Jack Graziosi
Director of Capital Delivery and
Asset Management

[illegible]

SCALE: N.T.S.