

COMMITTEE OF THE WHOLE – JUNE 21, 2004

VAUGHAN CIVIC CENTRE PROJECT PHASE 1 STATUS REPORT

Recommendation

The City Manager and the Commissioner of Community Services, recommends:

1. That this report BE RECEIVED for information purposes;
2. That Staff report in October 2004 on the status of the design work to the end of the Schematic Design Phase, on any changes in the timelines set out in this report and on the status of any related initiatives;
3. That the "Vaughan Civic Centre Review Working Group" BE CREATED and be composed of Mayor Michael Di Biase and Local and Regional Councillors Mario Ferri, Linda Jackson and Joyce Frustaglio; and
4. That all reports proceeding to Committee/Council in respect of the Civic Centre be subject to the review of the Vaughan Civic Centre Review Working Group, prior to their submission to Committee/Council.

Purpose

The purpose of this report is to provide an update on the status of the work done to-date on the Civic Centre project, set out the timeline for future actions and the reporting strategy.

Background – Analysis and Options

a) Background

On February 9, 2004, Council approved the recommendation of the Vaughan Civic Centre Design Competition Jury and selected the design submitted by the firm Kuwabara Payne McKenna Blumberg (KPMB) Architects. Council also directed Staff to commence negotiations with the successful proponent with the intention of entering into a Client-Architect Agreement.

The negotiations with the architect were completed. A report from the Vaughan Civic Centre Review Sub-Committee, composed of Mayor Di Biase and Local and Regional Councillors Mario Ferri, Linda Jackson and Joyce Frustaglio, recommending the execution of the Client-Architect Agreement for Phase 1 of the project, was prepared for the May 3, 2004 Committee of the Whole Meeting. This recommendation was adopted by Committee of the Whole and was ratified by Council on May 10, 2004.

Also on May 10, Council enacted By-law 136-2004 to authorize the Mayor and the Clerk to execute the Client-Architect Agreement on behalf of the City with KPMB Architects.

b) Phase 1

The Request for Proposal for the Design Competition identified the need for a 325,000 square foot facility that would accommodate the City's administration (239,000 square feet), a resource library (36,000 square feet) and space for Hydro Vaughan Distribution Inc. (50,000 square feet). The winning design accommodated these uses in a campus-style design that has provided the opportunity to adopt a more flexible phasing strategy.

The current contract with KPMB Architects encompasses the following elements as Phase 1 of the project:

- Construction of a new City Hall building (239,000 +/- square feet), including approximately 50 underground spaces within the area enclosed by the building footprint;
- Related site development including the provision of permanent and temporary parking; and
- The demolition of the existing Civic Centre building. This will take place after the occupancy of the new City Hall.

It is noted, that prior to construction, the City will be responsible for the demolition of the existing buildings where the new City Hall will be located (the portables, the annex building and two former residences).

The new City Hall building is located at the eastern end of the site, between the signalized driveway accessing Major Mackenzie Drive and the GO Rail Line. Phase 1 includes both the driveway, the lands to the east and the former works yard south of the annex building and any required temporary parking.

The existing Civic Centre building will remain in use during the construction period, as will the signalized access to Major Mackenzie Drive. Initial review indicates that the existing driveways can be maintained in operation during construction. However, during construction the signalized driveway connecting to Major Mackenzie Drive will have to be truncated immediately to the south of the first access to the westerly parking lot south of the existing Civic Centre building.

The design of subsequent phases of the project will be implemented through new agreements. Such agreements would apply to the Vaughan Public Libraries' Resource Library; the portion of the civic square west of the entrance driveway and underground parking beneath the square; and any additional buildings that may be approved for other potential users. Proceeding with the subsequent phases will be at the discretion of Council.

c) Budget Considerations

The competitors in the design competition were provided with a construction budget of \$76,000,000 (August 2003\$) for the entire project, including the 325,000 square feet of floor space and site development. This cost estimate was based on a building with a level of finish comparable to that of Metro Hall in Toronto and site development costs of \$7.5 million. To arrive at an upset cost for the entire development, a six (6) percent annual cost escalation factor and a soft cost estimate of 25% of total construction cost were assumed. Using the 6% annual escalation factor, the upset cost of the project in August 2004 dollars would be $\$76,000,000 + 6\% = \$80,560,000 + 25\%$ soft costs = \$100,700,000.

The first phase of the project is proceeding on a reduced scale. Only the City Hall portion of the project, with related site works and limited underground parking will be proceeding. It accounts for 239,000 square feet of the original 325,000 square feet. This is the result of postponing the construction of the Resource Library (36,000 square feet) the space originally intended for Hydro Vaughan Distribution Inc. (50,000 square feet) to a later phase. For the purpose of calculating the professional fees an estimated construction budget of \$65,000,000 (2004\$) is being used. Applying the 25% soft cost factor to this amount, the upset cost would be $\$65,000,000 + 25\% = \$81,250,000$ in current dollars.

This estimate will be refined throughout Phase 1. As such, one of the on-going tasks in the design process will be developing a plan that is both affordable and provides good value for the money invested. This includes managing risk by accounting for contingencies and price escalation over time and taking conservative estimates of soft costs. Therefore, it is

recommended that the factors identified above be maintained as the initial Phase 1 project costs are developed.

However, special attention will have to be paid to extraordinary spikes in the cost of certain construction inputs. For example, current high off shore demand for steel is pushing prices higher. Increasing energy costs will affect all inputs, including concrete, and make wintertime construction more expensive. It is not known how long these conditions will persist. The 6% escalation factor will have to be monitored closely in light of this situation.

LEED (Leadership in Environmental and Energy Design) Green Building certification will also be a factor in the costing of the project. In the Request for Proposal a minimum LEED Silver accreditation was specified. Two higher LEED standards are available, being LEED Gold and Platinum. Credits toward certification can be obtained in a number of ways, which are often influenced by the context and character of the site.

A LEED certified building is beneficial to the environment and it can offer economies to the user in the form of longer-term savings in operating costs, especially in the area of energy consumption. This can come at the expense of increased initial capital investment in building infrastructure. The Architect has been requested to do an analysis of the costs and benefits of attaining LEED certification, including the impact on operating costs. The level of LEED certification may also be affected by the availability of funding support from the provincial and federal governments.

All of these factors will have to be taken into account in developing the project budget. Trade-offs will also need to be explored, including options to economize in certain areas, in order to achieve other goals. For example, the level of finishing could be moderated in return for a greater emphasis on environmental sustainability or additional floor space. This will have to be evaluated and reported on throughout the design process.

d) Completed and On-Going Actions

Refining the Winning Design

Staff has been working since Council's selection of the winning Architect on February 9, to ensure that the Civic Centre project progresses in a timely fashion. The following actions have been undertaken, in conjunction with the Architect and the consulting team:

- Completion of the Phase 2 Environmental Site Assessment;
- Initiation of follow-up Geotechnical Investigations;
- On-going consultation with the Architect on site access, development phasing and construction issues;
- April 16, 2004, presentation of winning design to Commissioners/Directors to initiate input on the design and comment on the building program;
- Public presentation of winning design by KPMB Architects on May 4, 2004;
- Staff seminar on May 16, 2004, with KPMB Architects and Keen Engineering to introduce the LEED Building Rating System to technical staff;
- On-going Senior Management Team review of the initial building program and related issues in order to provide instructions to the Architect on design revisions to meet the City's requirements;
- Consultation with Vaughan Public Libraries on the preferred location of the Resource Library.

2004 Capital Budget

The approved capital budget for 2004 includes a funding allocation of \$7,671,000 for work associated with the Civic Centre. This amount covers professional fees (\$4,413,500), retention of

a project manager (contract position) and the City's consulting architect (\$154,000), competition costs (\$103,000), demolition of satellite buildings and remediation (\$360,500), temporary accommodation (\$515,000) and site work and preparation (\$2,124,500). This money is sourced from the City Hall Reserve Fund. This was approved on May 25, 2004. This accounts for the majority of the costs that will be incurred prior to construction. Based on the rate of expenditure to-date, it is unlikely that this full amount will be spent during this budget year. The unexpended funds will be available to be carried over into 2005.

Report on Project Funding

Staff will be reporting in the fall on the completion of the Schematic Design Phase and on the Phase 1 project budget. Concurrent with this report, Staff will be providing a report on the sources of funding that will be available to finance the project.

Temporary Accommodation

The Building and Facilities and Purchasing Departments, in consultation with the Senior Management Team, are jointly preparing a plan to provide temporary accommodation for the staff displaced when the satellite buildings (i.e. the annex building, the portables and the two former residences) are demolished to make way for the construction of the new City Hall.

Since construction activity will dominate the eastern part of the site, it is unlikely that there will be substantial area south of the existing buildings to locate temporary quarters. Therefore, it will be necessary to investigate opportunities for off-site accommodation during the construction period. It is expected that construction will start in the latter part of 2005; therefore, arrangements should be in place for the required space early in 2005 so that any moves can occur in good weather.

Two critical determinations will need to be made. First, it will be necessary to establish which functions and personnel can be located off-site, while still maintaining a high level of service delivery to both staff and the public. This may also entail moving some staff from the existing Civic Centre building and retaining on-site some of the staff that are now located in the satellite buildings. The second task will be to determine the actual amount and type of floor space that will be needed. Once these criteria are established the City can issue a Request for Expression of Interest to the private sector for the required facilities.

Staff will report back in the fall on the progress that has been made in the process to secure the required accommodation and obtain direction to proceed with a Request for Expression of Interest.

Preparation of a Promotional Brochure

The Commissioner of Economic/Technology Development, in cooperation with the City Manager's office, the Senior Management Team and Corporate Communications, is developing a 24-page information booklet in support of the new Civic Center project for potential stakeholders and funding partners, including the provincial and federal governments. This publication will highlight the Green Building design, community focus and commitment to sustainable development. In addition, an interactive web presentation will be produced to provide detailed information on those project features highlighted in the booklet. The booklet will be completed in July.

e) Reporting Strategy

While the winning design was well advanced in terms of concept it is still necessary to substantially refine the design prior to preparation of the construction drawings and tender documents. This is to ensure that the City's program needs are confirmed and accounted for in the plan and that the costing of the project is both thorough and accurate.

There are a number of phases in the design and construction process. These phases are specified in the contract with the Architect and are shown below with their accompanying fee allocations:

<u>PHASE</u>	<u>FEE ALLOCATION</u>
• Schematic Design Phase;	10%
• Design Development Phase;	15%
• Construction Document Phase;	45%
• Bidding and Negotiation Phase;	3%
• Construction Phase – Contract Administration	25%
• Post Construction	2%

The completion of each phase is a milestone in the process, which takes the project further along the path to completion. The end of a phase provides a point where progress can be reviewed and measured and budgets evaluated and adjusted. Therefore, it is appropriate to report to Council at the end of each phase. It also provides the opportunity to obtain direction from Council on matters relating to the needs of the project or its further conduct. As such, they are important decision points.

On April 26, 2004, Council referred the Client-Architect Agreement to the members of the Council who represented the City on the competition jury, being Mayor Michael Di Biase and Local and Regional Councillors Mario Ferri, Linda Jackson and Joyce Frustaglio, for review. This resulted in a report to the May 3, 2004 Committee of the Whole Meeting from the "Vaughan Civic Centre Review Sub-Committee". The sub-committee recommended the approval of the agreement and that the City enact a by-law authorizing its execution.

Consistent with Council's earlier action, it is recommended that the Mayor and Local and Regional Councillors be appointed to the "Vaughan Civic Centre Review Working Group". The purpose of the Working Group is to assist in the implementation of the reporting strategy through its review of reports proceeding to Committee/Council. The Working Group will assist Staff in identifying issues that need to be brought to the attention of Council. Of particular importance will be the identification of matters that are important to the community or which may have broader civic implications.

f) Project Governance/Retaining the Project Manager

All reporting from Staff will be through the Senior Management Team. Immediate responsibility for project management will rest with the Commissioner of Community Services. Reporting to the Commissioner of Community will be a project manager who will provide the day-to-day supervision of the project, working with the architect and the general contractor.

The Commissioner of Community Services will also chair a Technical Steering Committee, which will include the project manager, the City's consulting architect (The Ventin Group) and Staff as required. The Technical Steering Committee will play a major role in maintaining the reporting relationship with the Senior Management Team and fostering communication between Staff, at all levels, and the design and construction teams.

The Technical Advisory Committee will also be able to mobilize Staff Review/Advisory Teams that can be called upon to assist in various aspects of the planning, design and construction of the Civic Centre. The teams may assist in a variety of areas, potentially including the review of servicing plans, investigation of alternative telecom and information technologies and the procurement of required equipment. The teams will be used to ensure that the City's needs are well met and they will be created on an as needed basis.

Council authorized the retaining of a project manager, on a consulting or contract basis, on May 12, 2003. The process to fill the position is now underway. A job description has been approved on the basis of a three-year contract. The City has advertised the position, with the closing date of June 9, 2004. It is expected that the project manager will be in place in August.

g) Timelines for Completion of the Project

It is intended that the City follow a standard design, bid, construct format for the building of the Vaughan Civic Centre. The following timelines and actions are recommended. It is noted that each phase is not entirely discrete and there may be overlap in some instances. Attachment No. 1 illustrates the timing of the following phases of implementation.

Schematic Design:

Start:	Currently underway
Completion:	September 2004
Product:	Building form and massing, blocking and stacking of uses and allocation of floor space to users established to a high degree of certainty. Approach to LEED and building systems being refined. Budget estimate will be prepared based on the level of detail at the end of this phase.
Report to Council:	September-October 2004. Update, comment on design and budget and direction to continue with Design Development.

Design Development:

Start:	October 2004
Completion:	January 2005:
Product:	Finalization of basic elements of the design, finishes and interiors have been investigated, implications of LEED and the type of building systems to be used are now understood. More detailed budget estimate can be prepared.
Report to Council:	January – February 2005. Update, further comment on design and budget and obtain direction to proceed to the preparation of contract and tender documents.

Contract Documents:

Start:	February 2005
Completion:	September 2005
Product:	Construction drawings, contract documents and bid package. A detailed cost estimate, based on the construction drawings is prepared at this stage.
Report to Council:	2005. Obtain direction to issue tender. (Pre-qualification of General Contractors may already have occurred)

Bid and Award:

Start:	October 2005
Completion:	November 2005
Product:	Contract award to the successful bidder.
Report to Council:	December 2005. Report on successful bidder.

Construction

Start:	December 2005 (Note: Demolition and site works may have been undertaken in advance)
Completion:	Fall 2007
Product:	Fully commissioned building in move-in condition
Report to Council	Periodic updates to Council throughout the construction program

Staff will be consulting with the Architect to determine if there are ways to advance the timing of the completion of the City Hall. However, any initiative to accelerate the design and construction program will need to be approached with care. Undue haste can lead to errors or omissions in both the design and construction stages. It should be a primary objective of the City to adopt a process that minimizes the potential for costly changes, delays in the completion of the building or post-construction retrofits.

Relationship to Vaughan Vision 2007

Section 4.2 of Vaughan Vision 2007 – “Develop a new Vaughan Civic Centre that encourages a “people place”, states that: “The City undertake the necessary process to develop a new Vaughan Civic Centre; Investigate funding options and; Design and build a new Vaughan Civic Centre.

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved. On May 10, 2004, Council authorized the execution of the Client-Architect Agreement between the City of Vaughan and KPMB Architects for the first phase of the Civic Centre project. Sufficient funding for 2004 has been included in the recently approved 2004 Capital Budget.

Conclusion

The purpose of this report is to provide Council with an update on the progress of Phase 1 of the Civic Centre project and to set out the timeline for its completion. Substantial progress has been made on a number of fronts and work will continue over the summer, with the objective reporting back to Council on the completion of the Schematic Design Phase in the early fall.

The report also highlights a number of important milestones, which will provide reporting opportunities, where updates can be provided and Council direction obtained. Of particular importance will be decisions on the budget. The timeline set out in the report would see construction start in the latter part of 2005, with move-in commencing in the fall of 2007.

It is recommended that reports to Committee/Council, in accordance with the reporting and project governance strategies, be subject to the review of the “Vaughan Civic Centre Review Working Group”. The Working Group would be composed of Mayor Di Biase, and Local and Regional Councillors Ferri, Jackson and Frustaglio. It will provide Staff with valuable input and assist in identifying issues that may be of civic or community importance.

The design and construction of a project of this magnitude is a major undertaking. While the City has retained a highly qualified and talented architectural and consulting team, the project will be a substantial draw on the City’s resources. For this reason, Council has authorized the retention of a project manager, to guide the day-to-day operation of the project. The project manager will report to the Commissioner of Community Services. Staff expertise will be drawn upon as required, in various technical and advisory capacities. In order to ensure that the project proceeds in a timely manner, staff will need to work closely with the architects and consultants in the provision of information and the resolution of problems.

It is recommended that this report be received and that staff report back to Council in the early fall (September/October) on the completion of the Schematic Design Phase. Should Council concur, then the recommendation set out above should be adopted.

Attachments

1. Vaughan Civic Centre Project – Phase 1 Timelines

Report Prepared By:

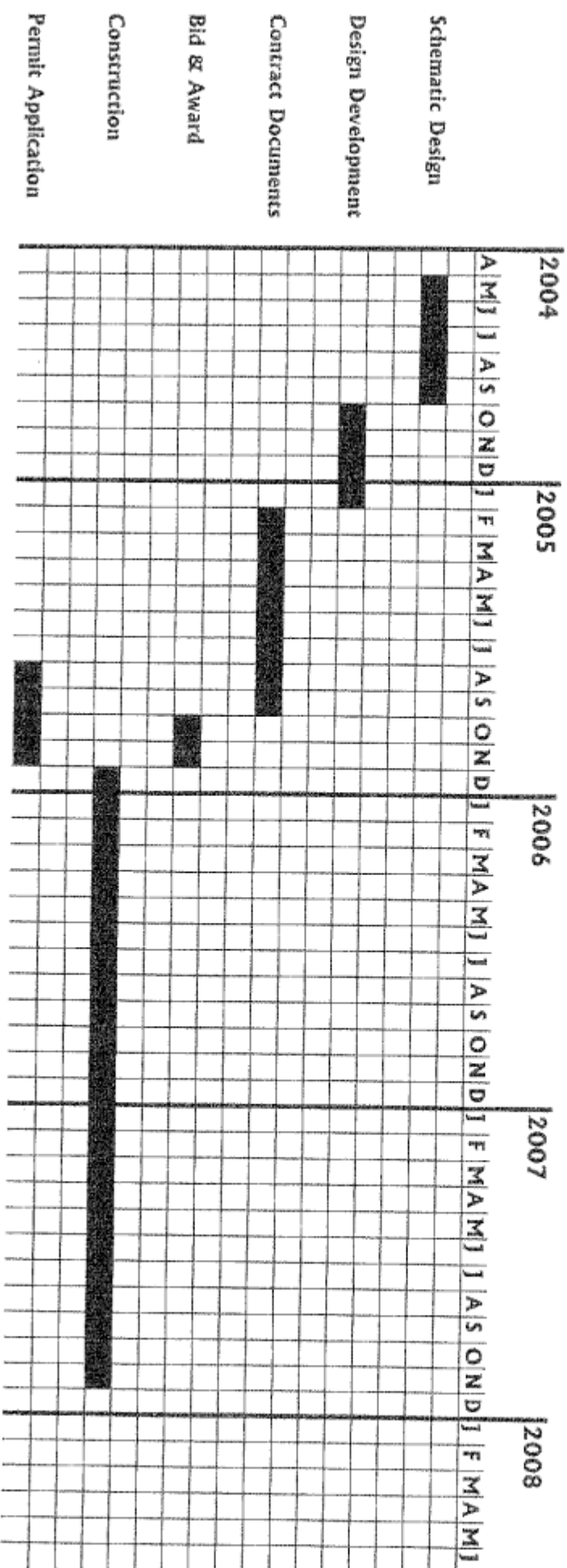
Roy McQuillin, Manager of Corporate Policy

Respectfully submitted,

Michael DeAngelis
City Manager

Marlon Kallideen
Commissioner of Community Services

Attachment 1



VAUGHAN CIVIC CENTRE PROJECT
 PHASE 1 TIMELINES