

New City Hall - Interim Update**Recommendation**

The Commissioner of Community Services and the Commissioner of Finance/City Treasurer, in consultation with the Commissioner of Legal and Administrative Services & City Solicitor and the City Manager recommend:

1. That a comprehensive report detailing the estimated final costs of, and proposed additional funding sources for, the new City Hall be provided to Council no later than February 2011; and
2. That in the interim staff be authorized to issue payment for City Hall related invoices including the November 2010 and the December 2010 Maystar General Contractors Inc. invoices.

Contribution to Sustainability

The City of Vaughan's new City Hall is an eco-friendly sustainable building designed to meet a Gold standard in Leadership in Energy and Environmental Design (LEED).

Economic Impact

Payment of the November 30, 2010 Maystar invoice will result in payments for the City Hall project exceeding the overall approved budget of \$107 million by approximately \$3 million. The invoice for December 31, 2010 has not been received by the City of Vaughan, therefore the additional amount is undetermined.

Communications Plan

The new City Hall and its environmental and sustainable attributes has received extensive coverage in numerous publications. The media has been advised that a comprehensive report will be provided to Council in February 2011. In the interim, key messages have been developed.

Purpose

The purpose of this report is to advise Council that payment of the November, 2010 Maystar invoice (Payment Certificate 46) will result in total payments for the overall City Hall project exceeding the approved budget of \$107 million.

Background - Analysis and Options

The new City of Vaughan City hall, which was designed by KPMB Architects and is being constructed by Maystar General Contractors Inc. (Maystar) is nearing completion. The Building and Facilities Dept. has submitted Payment Certificate #46 for payment to Maystar for work done on the new City of Vaughan City hall for the month of November 2010. This payment will result in payments for the City Hall exceeding the overall approved budget of \$107 million by approximately \$3 million.

The City's practice, in the event that a capital project exceeds the approved budget by \$10,000 or more is to provide a report to Council setting out the circumstances leading to the budget overage, and making a recommendation regarding the additional funding sources to cover the additional amount. The rationale for this approach is; when additional work has been determined by the City's consultant or staff to be necessary to complete the Council approved project; when the project is underway; and when the necessary work is completed, and gives rise to an invoice that is certified and approved by an external consultant and/or staff; the contractor and/or the subtrades should not be penalized, as this may result in project delays or litigation. Consistent with this practice, it is staff's intent that a comprehensive report detailing the estimated final costs of the new City hall, and

recommendations regarding proposed additional funding sources be provided to Council at the earliest opportunity, following clarification with the contractor and architect of the estimated final cost of the project. Notwithstanding this practice, staff have brought forward the interim report in the interests of openness and transparency for this Important project.

In the interim, the work has been done, and certified, and the payment for the November payment certificate is due. Under the terms of the contract with Maystar, payment for work completed must be made within 15 days after receipt of a certificate for payment issued by KPMB. The Commissioner of Community Services, the Commissioner of Finance and the Commissioner of Legal are of the opinion that it is in the City's best interest to proceed with the payment, as the payment certificate has been confirmed and duly authorized by the architect, KPMB and the Commissioner of Community Services. It may also be necessary to process and pay New City Hall related invoices, including the December 31, 2010 Maystar invoice, in advance of the detailed report to Council, depending on the timing of the next invoice, and the Committee and Council schedule.

Relationship to Vaughan Vision 2020/Strategic Plan

N/A

Regional Implications

There are no Regional implications associated with this report.

Conclusion

Additional work has been determined by the City's consultant or staff to be necessary to complete the Council approved project, and as the necessary work is completed, therefore, consistent with the City's practice it is appropriate to continue to make payments and provide Council with a comprehensive report.

Attachments

N/A

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Respectfully submitted,

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