



Report to: General Committee

Date Report Authored: May 15, 2013

SUBJECT: Southeast Community Centre & Library Project – Site Plan Approval and Tender
PREPARED BY: Henry Tse, Project Manager, Asset Management

RECOMMENDATION:

- 1) **THAT** the report entitled “Southeast Community Centre & Library Project – Site Plan Approval and Tender” be received;
- 2) **AND THAT** Council authorizes Staff to proceed with tendering to the pre-qualified General Contractors for the construction phase of the project;
- 3) **AND THAT** the site plan application (File Number SC 13 133615) to allow a municipal Community Centre and Library be endorsed in principle and that site plan approval for the Southeast Community Centre and Library be delegated to the Director of Planning and Urban Design, or his designate;
- 4) **AND THAT** Council authorize the Mayor and Clerk to execute a construction agreement(s) with Neamsby Investments Inc. in a form satisfactory to the City Solicitor and the Chief Administrative Officer for the construction of a East/West municipal road (‘E/W Municipal Road’) immediately south of the Southeast Community Centre & Library site;
- 5) **AND THAT** Council authorize the City of Markham to upfront the design and construction costs for the E/W Municipal Road in the amount estimated at \$1.5M to the satisfaction of Director of Engineering, or his designate of which approximately 55% (or \$825k) will be reimbursed when the remainder of the lands are developed by Neamsby Investments Inc. per the Agreement of Purchase and Sale of the community centre lands;
- 6) **AND THAT** that the tendering process be waived in accordance with Purchasing By-Law 2004-341, Part II, Section 7, item 1 (g) “where it is in the City’s best interest not to solicit a competitive bid” for Neamsby Investments Inc. to award the project to a general contractor provided it can be demonstrated to the satisfaction of the Director of Engineering that the overall cost to construct the E/W Municipal Road is competitive;
- 7) **AND THAT** Council authorize Perkins + Will to proceed with the 14th Avenue Boulevard design in the amount of \$8,000 to be funded from the ‘South East Community Centre/Architect Consultant Services’ 2011 Capital Account #70-5350-11318-005;
- 8) **AND THAT** Council authorize Perkins + Will to proceed with the design of the Emergency Reception Centre in the amount of \$8,000 to be funded from the ‘South

East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-005; and,

- 9) **AND THAT** Staff report back with Audio Visual/Acoustic options for the interior Social Gathering space to the Southeast Council Subcommittee;
- 10) **AND THAT** Staff be authorized and directed to do all things necessary to give effect to this resolution.

PURPOSE:

The purpose of this report is to:

- seek Council's authorization to tender the finalized detailed design drawings, technical specifications and contract documents for the Southeast Community Centre & Library (SECCL) project;
- seek Council authorization to enter into a construction agreement for the design, contract administration, construction and financing of a East/West municipal road ('E/W Municipal Road') by Neamsby Investments Inc, and
- endorse the site plan and delegate authority to approve the final site plan to the Director of Planning and Urban Design or his designate.

BACKGROUND:

Staff, together with the project architect Perkins + Will Canada (P+W), presented the design development update to Council at their General Committee meeting on February 25, 2013. Staff and P+W were directed to proceed with the detailed design drawings, technical specifications and the construction contract documents phase of the Southeast Community Centre and Library and report back in June 2013 with an update of the project cost estimate.

Staff was also directed to construct the E/W Municipal Road to provide vehicular and pedestrian access to the SECCL. Staff has discussed the delivery of the E/W Municipal Road and reviewed with Neamsby Investments Inc, options to construct the road subject to the City upfront 100% of the project with subsequent recovery of approximately 55% from Neamsby Investments Inc upon the development of the adjacent lands.

OPTIONS/DISCUSSION:

A. Project Update / Authorization to Proceed to Tender

After Council's approval of Design Development in February, 2013, P+W carried out detailed design, having conducted numerous additional micro-planning sessions with various internal Staff stakeholders in order to drill down to the minutely design and operating requirements needed to complete the working drawings and technical specifications to ensure the operational and long-term facility needs are met.

Meetings have also been conducted for the purpose of providing updates and soliciting input from the SECCL Council Subcommittee, the SECCL Executive Steering Team, the City's Advisory Committee on Accessibility, and others.

The Site Plan application has been submitted for review and was re-submitted after incorporating Planning Department staff input. Preliminary meetings with the Buildings Department staff identified building code issues that need to be resolved prior to the Building Permit application.

P+W presented a proposed selection, and various options, for interior finishes and colour palette to the Council Subcommittee in April 2013. The Subcommittee endorsed the selection.

A detailed construction cost estimate was performed during April/May, 2013 by P+W's cost sub-consultant at approximately the 60% Detail Design stage. The estimate included the cost associated with the various suggestions derived from the micro-planning sessions, which P+W had incorporated into the Design Development layouts.

A Request for Pre-Qualification of General Contractors process was conducted in May 2013. Staff will be completing the evaluation in June 2013.

Project is progressing on schedule.

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| • Issue Tender for Construction Contract | July, 2013 |
| • Contract Award and mobilization | October, 2013 |
| • Beneficial use | late 2015 |

B. Delegation of Site Plan Approval Authority

A site plan application (File Number SC 13 133615) for the SECCL is currently under review by City staff and external agencies. Council, through Council's Sub-committee for the project, has been updated and involved throughout the design process of the site plan and building elevations for the SECCL. Site plan approval will be required prior to Council's summer recess in June 2013, in order to proceed to the Building Permit stage. Staff requests that authority for final site plan approval be delegated to staff.

C. E/W Municipal Road Construction Agreement

In accordance with the Agreements of Purchase & Sale between the City and Neamsby Investments Inc., 517737 Ontario Limited, Rosina Mauro and Fulton Homes Limited (collectively, the "Vendors"), the E/W Municipal Road immediately south of the SECCL is to be designed and constructed by the Vendors on the City's schedule. The East/West road will be required to provide access to the SECCL, once the facility opens to the public.

The construction agreement will include the following principles:

- Neamsby Investments Inc. (on behalf of the Vendors) will construct the E/W Municipal Road as approved by the Director of Engineering.
- City will upfront 100% of the project cost of the required portion of the E/W Municipal Road, sufficient to provide access to the SECCL.
- City will be reimbursed by Neamsby Investments Inc. for fifty percent (50%) of the total cost of designing and constructing the E/W Municipal Road and 100% of components that will benefit the future development to the south of the E/W Municipal Road. The reimbursement from Neamsby Investments Inc. will be

approximately fifty five percent (55%) to the City as described above prior to the City executing any agreement with Neamsby Investments Inc. relating to the development of their lands to the south of the Southeast Community Centre site.

It is recommended:

- That Council authorize the Mayor and Clerk to enter into a construction agreement with Neamsby Investments Inc., for the design, construction and financing of the E/W Municipal Road on or before the opening date of the SECCL on the terms above described.
- That Council approves a non-competitive procurement in accordance with By-Law 2004-341, Part II, Section 7 item 1 (g) for Neamsby Investments Inc. to award the project to a general contractor provided it can be demonstrated to the satisfaction of the Director of Engineering that the overall cost to construct the E/W Municipal Road is competitive.

The estimated up-fronting cost to the City is approximately \$1.5M and Asset Management staff is to submit a 2014 Capital Budget request. The estimated future reimbursement to the City is 55% or approximately \$825k. The City will be reimbursed when the remainder of the lands are developed by Neamsby Investments Inc. All estimates are subject to the final contract award price and the final certified costs.

The Engineering Department will review and approve the design in accordance to the City's standards and provincial design guidelines. In addition, staff will review cost estimates and tender pricing from Neamsby Investments Inc. to ensure comparative (competitive) pricing.

The proposed schedule of the E/W Municipal Road is outlined below:

- Design completion – Fall 2013
- MOE Certificate of Approval – Spring 2014
- Tender – Fall 2014
- Construction Commencement – Spring 2015
- Construction Completion – Fall 2015
- Opening of SECCL – Fall 2015.

D. Project Cost Estimate (60% Design Stage)

A construction cost estimate was performed at the conclusion of the Design Development phase of the project by P+W's cost sub-consultant. Staff reported to Council in February 2013 that the cost estimate has increased by approximately \$1M from \$52.925M to \$53.922M.

D1. LEED Gold – Solar Photovoltaic System:

In December 10, 2012 Council approved energy conservation and sustainability initiative of targeting LEED Gold level of certification on the basis of adding a 300kW Solar Photovoltaic system and other additional enhancements to the base building design at an additional capital cost of \$247k. The design and construction cost to effect required mechanical and electrical components to target to achieve LEED Gold is now included in the 60% cost estimate.

Staff was directed to include the 300kW Solar Photovoltaic rooftop array (capital cost estimated at \$1.2-1.8M) as an option in the construction contract tender and make a recommendation, once bids are received, whether to include it as part of the construction contract award, or lease the roof top area to Power Stream Solar. The estimated capital cost of the rooftop array is not included in the project 60% cost estimate.

D2. Larger Outdoor Space:

The original cost estimate for the site was based on comparable quality and features to Cornell Community Centre and Library Project. The hardscaped portion for SECCL is larger by 1.35 acres compared to Cornell CC+L. Approximately \$750k of the cost estimate is due to a more extensive and more elaborate landscaping elements on a comparatively larger proportion of the site.

The various components of the larger site such as the NW corner, the basketball courts, and features within the large open piazza are designed as a park. Therefore, Staff is reviewing potential other potential funding sources including parks development charges for the outdoor space component.

Since January, the design has progressed to 60% completion. A cost analysis based on the 60% detailed design completion has been completed in May. P+W and Staff completed a value engineering exercise, and the net cost estimate is \$54.228M, which represents an increase of \$306k over the February cost estimate of \$53.922M.

D3. Transformer Location:

During the last project cost estimate, the transformer was located on the north side of the building. Following number of discussions with PowerStream and the Planning & Urban Design Department, the transformer is recommended to be relocated from 14th Avenue location to west end of site. The new location is more costly due to longer secondary cable and duct bank runs. Approximately \$250k of the 60% design cost estimate is due to the transformer relocation.

D4. Miscellaneous Items:

The remaining \$56k attributed to minor design changes through the detailed design stage.

E. Additional Project Cost Not in 60% Cost Estimate**Regional Road 14th Ave. future widening - landscaping cost:**

The new York Region Official Plan shows a 43.0 metres right-of-way for 14th Avenue which Markham will have to dedicate a road widening to the Region at no cost. The immediate result will be an additional boulevard width of approximately 7 metres to the north of the project site. Due to the uncertain timing of the 14th Avenue widening, Staff has been directed to design the additional boulevard space in consultation with the Region. In the 60% design cost estimate the boulevard is to be seeded only.

Additional landscaping of relocating the sidewalk, planting trees, and sodding the boulevard space is approximately \$100k in construction cost. This will be an additional cost to the project and currently not included in the 60% project cost estimate.

Staff recommends that Perkins + Will be authorized to proceed with the 14th Avenue Boulevard design in consultation with other departments and the Region in the amount of \$8k to be funded from the 'South East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-0045.

F. E/W Municipal Road Funding Requirements:

The project cost estimate does not include upfronting or the City's share of the E/W municipal Road. The City is required to upfront 100% of the cost estimated to be \$1.5M and the estimated City's share is approximately \$625k. Asset Management staff will be requesting a 2014 Capital budget request for this item. This is not included in the 60% project cost estimate.

G. Optional Project Features for Consideration**G1. Audio-Visual/Acoustics in Social Gathering Space:**

Staff has been requested to review enhanced audio visual/acoustic features in the social gathering space within SECCL. Specialist acoustical and AV consultants have been retained to provide a feasibility study. The study will provide options of acoustic and AV features to accommodate the various anticipated uses of the space and a cost estimate to inform future decision making. Staff is to report back on the feasibility results. The capital cost of the AV/acoustic features has not been included in the project 60% cost estimate.

G2. Emergency Reception Centre:

If SECCL is to be designed as an Emergency Reception Centre, the order of magnitude capital cost will be \$215k, with an associated consulting fee of \$8k. The additional features can be an option in the construction contract tender and recommendation made once bids are received, whether to include it as part of the construction contract award.

The estimated capital cost of the Emergency Response Centre is not included in the project 60% cost estimate.

Staff recommends Council to authorize Perkins + Will to proceed with the design of the Emergency Shelter in the amount of \$8k to be funded from the 'South East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-005.

FINANCIAL CONSIDERATIONS AND TEMPLATE: (external link)

The SECC&L project cost estimate is summarized below:

	24-Sep-12 A	25-Feb-13 B	10-Jun-13 C	Increase (*) C-A
Construction (including construction contingency)	\$52,925,000	\$53,922,000	\$54,228,000	\$1,303,000
Internal / Other Cost	\$5,295,000	\$5,295,000	\$5,295,000	\$0
Municipal Fees	\$500,000	\$500,000	\$500,000	\$0
FF&E / IT cost	\$7,830,000	\$7,830,000	\$7,830,000	\$0
Total Cost Estimate (excluding land)	\$66,550,000	\$67,547,000	\$67,853,000	\$1,303,000

***Summary of increase items:**

Item	Description	\$
D1	LEED Gold – Solar Photovoltaic System	\$ 247,000
D2	Larger Outdoor Space	\$ 750,000
D3	Transformer Location	\$ 250,000
D4	Miscellaneous Items	\$ 56,000
	Total Increase (60% Design Cost Estimate)	\$1,303,000

The current cost estimate is based on 60% design completion and the project has yet to be competitively tendered.

Total approved budget for the Southeast Community Centre and Library is \$66.55M (Project #11318 in the amount of \$4,350,000 and Project #13500 in the amount of \$62.20M). Similar to the approach taken for the LEED Gold enhancements and enhanced landscaping design in the February 2013 GC report, staff recommends that the project continues tender stage without requesting for the additional funding.

Any additional costs will be identified to Council prior to construction tender and will be addressed at time of award.

Staff is reviewing potential other funding sources including parks development charges for the outdoor space component.

Additional Project Cost Not in 60% Cost Estimate - Regional Road 14th Ave. future widening - landscaping cost:

Staff recommends that Perkins + Will be authorized to proceed with the 14th Avenue boulevard design in consultation with the Planning and Urban Design Department in the amount of \$8k to be funded from the 'South East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-005. The order of magnitude construction cost is approximately \$100k. This will be an additional cost to the project.

East/West Municipal Road

That the cost of the E/W Road in the estimated amount of \$1.5M be up-fronted by the City and the estimated City's share is approximately \$675k. Staff will be submitting a 2014 Capital budget request for this item.

Optional Project Feature for Consideration: Emergency Reception Centre:

Staff recommends Council to authorize Perkins + Will to proceed with the design of the Emergency Reception Centre in the amount of \$8k to be funded from the 'South East Community Centre/Architect Consultant Services' 2011 Capital Account #70-5350-11318-005. The order of magnitude capital cost will be \$215k and will be tendered as an option in the construction contract tender.

HUMAN RESOURCES CONSIDERATIONS

Not Applicable.

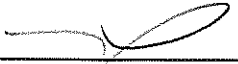

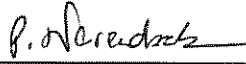
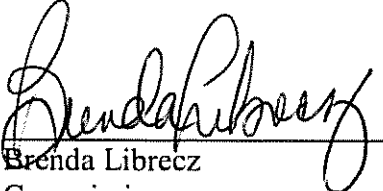
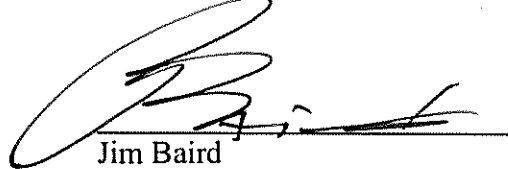
ALIGNMENT WITH STRATEGIC PRIORITIES:

The project aligns with the following City of Markham corporate goals: Integrated Leisure Plan, Infrastructure Management, Economic Development, Quality Community and Environmental Focus.

BUSINESS UNITS CONSULTED AND AFFECTED:

Recreation Services, Markham Public Libraries, Planning and Urban Design, Engineering, and Financial Services have been consulted.

RECOMMENDED BY:


Mary Creighton
Director,
Recreation Services
Catherine Biss
Chief Executive Officer
Markham Public Libraries ACTING
DIRECTION
Gary Adamkowski, P.Eng
Director,
Asset Management
Brenda Librecz
Commissioner
Community and Fire Services
Jim Baird
Commissioner
Development Services Commission