

September 18, 2009

To: Executive Committee

From: Budget Committee

Subject: Facilities and Real Estate 2009 Capital Budget Adjustments and Accelerations/Deferrals

Recommendations:

The Budget Committee recommended to the Executive Committee that:

- 1. City Council authorize the reallocation of funds in the 2009 approved Facilities and Real Estate capital budget in the amount of \$503,000, as illustrated in schedule "A" of the report (September 3, 2009) from the Chief Corporate Officer, with zero gross and net impact.**
- 2. City Council authorize deferral and acceleration of funds in the 2009 Approved Facilities and Real Estate Capital Budget and 2010-2013 Capital Plan in the amount of \$352,000 as illustrated in Schedule "B" of the report (September 3, 2009) from the Chief Corporate Officer, with a zero gross and net impact.**

Background:

The Budget Committee on September 18, 2009, considered a report (September 3, 2009) from the Chief Corporate Officer, entitled "Facilities and Real Estate 2009 Capital Budget Adjustments and Accelerations/Deferrals".

for City Clerk

Merle MacDonald/mb

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STAFF REPORT ACTION REQUIRED

Facilities and Real Estate 2009 Capital Budget Adjustments and Accelerations / Deferrals

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|--------------------------|--|
| Date: | September 3, 2009 |
| To: | Budget Committee |
| From: | Chief Corporate Officer |
| Wards: | Various |
| Reference Number: | P:\2009\Internal Services\F&re\Bc09074F&re - (AFS 10507) |

SUMMARY

This report requests Council's authority to amend the Facilities and Real Estate Division's (F&RE) 2009 Approved Capital Budget and 2010-2013 Capital Plan by reallocating funding within the budget and plan, to better meet program requirements. The adjustment of funds will have a zero net impact corporately and will better align 2009 and future cash flows with F&RE's program requirements.

RECOMMENDATIONS

The Chief Corporate Officer recommends that City Council:

1. Authorize the reallocation of funds in the 2009 approved F&RE capital budget in the amount of \$503,000, as illustrated in schedule "A" attached, with zero gross and net impact.
2. Authorize deferral and acceleration of funds in the 2009 Approved Facilities and Real Estate Capital Budget and 2010-2013 Capital Plan in the amount of \$352,000 as illustrated in Schedule "B" attached, with a zero gross and net impact.

FINANCIAL IMPACT

There are no additional costs to the City as a result of approval of this report.

The approval of this report will result in the reallocation of 2009 approved cash flows in the total amount of \$503,000 (see Schedule “A”). These amendments will have a zero net impact. It will also authorize the deferral and acceleration of funds in the 2009 Approved F&RE Capital Budget and 2010-2013 Capital Plan in the total amount of \$352,000, as illustrated in Schedule “B” attached.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agrees with the financial impact information.

DECISION HISTORY

The 2009 Capital Budget and 2010-2013 Capital Plan for F&RE, with a 2009 cash flow of \$45.055 million and 2008 carry-forward funding of \$2.344 million, was approved by City Council at its meeting on December 10, 2008.

ISSUE BACKGROUND

F&RE requires the amendments of the 2009 Approved Capital Budget and 2010-2013 Capital Plan to better align cash flows with project requirements.

The amendments will ensure proper funding and cash flows are in place to tender and award contracts, as existing funding levels have been deemed insufficient to complete projects as bid prices on certain projects have come in higher than budgeted.

Furthermore, detailed investigations at sites have revealed unforeseen conditions such as asbestos abatement along with other health and safety issues which were not anticipated during the budget planning phase. The requested amendments will allow F&RE to deal with these unforeseen conditions and deliver the projects in a timely and safe manner.

Also, additional client requirements that have been submitted in 2009 have put a financial strain on a number of projects. These requirements were not in place during the budget planning phase, such as engineering audits at various client facilities, and therefore were not allocated any funding. This adjustment will allow F&RE to address these requests, allowing client needs to be met and ensuring projects are delivered efficiently and effectively.

COMMENTS

Facilities and Real Estate seeks approval for the amendment of the 2009 capital budget and the 2010-2013 Capital Plan, as outlined in the attached schedule “A” and “B” to better align cash flows

with program requirements, in accordance with Section 71-9 B to E of the Financial Control By-Law.

CONTACT

Richard Coveduck, P.Eng.
Director
Design, Construction, and Asset Preservation
Phone: 416-338-2737
Fax: 416-392-4828
E-mail: rcovedu@toronto.ca

Chuck Donohue, P.Eng.
Executive Director
Facilities & Real Estate
Phone : 416-397-5151
Fax : 416-392-4828
E-mail: cdonohue@toronto.ca

SIGNATURE

Bruce Bowes, P.Eng.
Chief Corporate Officer

ATTACHMENTS

Schedule "A" – Request for Reallocation of Funds
Schedule "B" – Deferrals and Accelerations



Facilities and Real Estate
Request for Reallocation of Funds

Schedule "A"

| Sub-Project Name | Sub-Project (WBS No.) | Reallocate: | Comment |
|---|-----------------------|-------------------|--|
| Various F&RE Locations - Masonry Restoration | CCA171-04 | \$143,200 | Project at 3111 Lake Shore is under budget. Surplus funds available |
| 55 John Street-Replace the Sump Pumps for the Storm and Sanitary Systems and the Elevator Pit Sump Pump | CCA172-25 | \$114,928 | Project at 55 John Street is near completion. Surplus funds available |
| Various F&RE Locations - Sitework, w/proofg, asphalt | CCA173-01 | \$129,267 | Project substantially complete and under budget. Funding is available from projects at 95 Lavinia Avenue and 300 Lesmill Rd |
| 40 Norfinch Dr-Replacement of air handling units and controls | CCA172-18 | \$115,605 | Project at 40 Norfinch Drive substantially complete and under budget |
| Reallocation Subtotal | | \$ 503,000 | |
| Sub-Project Name | Sub-Project (WBS No.) | To: | Comment |
| 5100 Yonge Street-Repair expansion joints of pedestrian bridge north of the Civic Centre | CCA159-06 | \$57,000 | Additional costs have resulted from delays in scheduling work around client requirements at 5100 Yonge Street. Night and weekend work is required due to noise disruptions at client rental meeting facilities |
| 5100 Yonge Street-Replace flush valves & plumbing fixtures in washrooms | CCA160-06 | \$86,000 | Higher costs are the result of delays in scheduling work because of the need to minimize disruption of the building occupants due to site condition changes at 5100 Yonge Street |
| 399 The West Mall-Replace kitchen exhaust fans | CCA172-01 | \$85,000 | Additional cost for unplanned asbestos abatement at 399 The West Mall. Failure to address the abatement could present a Health and Safety concern and regulatory issue |
| Various locations - Carry out Feasibility Studies | CCA181-04 | \$120,000 | Additional engineering needs in 2009 for urgent repairs. Specific issues: (1) 255 Dundas St W - a post tension cable failure of the concrete structure necessitated a structural review and remedial design; (2) 91 Front St E - engineering review of deteriorating columns of the elevated walkway; (3) engineering review of a large facility Toronto Police Services is considering purchasing; (4) engineering audit of a building proposed to accommodate the Flu Pandemic Storage program |
| 100 Queen St. West-Replace fuel tank piping, pumps and inventory system | CCA160-37 | \$75,000 | Scope of work at 100 Queen St West is greater due to requirements of Technical Safety Standards Authority (TSSA - regulatory issue) |
| Various Locations - Facilities Services - SOGR | CCA182-10 | \$80,000 | F&RE is in the process of renovating Memorial Hall to ensure that the washrooms are accessible and upgraded to current standards, and to upgrade the foyer and the Gold Room (audio visual, lighting, walls and floor etc). This will improve the facility for potential clients which will lead to greater revenue-generating opportunities in the future. The cost estimates for the proposed renovations have come in higher than expected, however are required to ensure our client needs are met, which will allow the facility to remain an attractive option for potential clients |
| Additional Funding Required Subtotal | Total | \$ 503,000 | |



Facilities and Real Estate
Request for Deferral/Acceleration

Schedule "B"

| Sub-Project Name | Sub-Project (WBS No.) | Deferral | Comment |
|---|-----------------------|-------------------|--|
| Various locations-Renew Exterior Signage of Corporate Facilities (inc. Wayfinding) to current City of Toronto specs | CCA163-02 | \$35,000 | Funding for St. Lawrence Market will be needed for 2010. |
| Various locations-Various mechanical and electrical projects | CCA182-02 | \$107,000 | Funding for 200 Tretheway Drive will be needed for 2010. |
| Various locations-Essential Audits and Retrofit Work | CCA181-06 | \$110,000 | Funding for 111 Wellesley will be needed for 2010. |
| 40 College St_Const of new UPS&Generator b/up system | CCA160-38 | \$100,000 | Cash flow will not be required in 2009, and will be spent in 2010. |
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| Deferred Subtotal | Total | \$352,000 | |
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| Sub-Project Name | Sub-Project (WBS No.) | Acceleration | Comment |
| 5100 Yonge Street-Replace flush valves & plumbing fixtures in washrooms | CCA160-06 | \$108,000 | Additional costs have been identified in 2009 due to delays in scheduling work around client requirements at 5100 Yonge Street. Overall project will not be affected, as with these additional costs in 2009, work planned for 2010 can be completed in the current fiscal year. |
| 5100 Yonge Street-Replace restroom facilities throughout the building | CCA161-06 | \$144,000 | Additional costs have been identified in 2009 due to delays in scheduling work around client requirements at 5100 Yonge Street. Overall project will not be affected, as with these additional costs in 2009, work planned for 2010 can be completed in the current fiscal year. |
| Various Locations - Environmental Emerg Remediation | CCA157-02 | \$100,000 | This acceleration is required to complete emergency environmental remediation projects in 2009. |
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| Accelerated Subtotal | Total | \$ 352,000 | |