



**STAFF REPORT  
ACTION REQUIRED**

**Nathan Phillips Square Revitalization Project – Project Update**

<b>Date:</b>	March 22, 2013
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	27 – Toronto Centre-Rosedale
<b>Reference Number:</b>	P:\2013\Internal Services\Fac\Gm13002Fac-(AFS17333)

**SUMMARY**

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The purpose of the report is to advise on the status of the Nathan Phillips Square Revitalization (NPSR) project, including the closing out of the current contract with the existing contractor and to advise on the next steps staff have taken to move forward on the next NPSR project phase.

**RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. The Government Management Committee receive this report for information.

**Financial Impact**

Funding is available in the Facilities Management 2013 Capital Budget and 2014 – 2022 Capital Plan for future phases of the NPSR project.

There are no financial implications arising from this report.

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

## **DECISION HISTORY**

The following relates only to the Construction Management Contract with PCL Constructors Canada Inc.

At its meeting held on August 19, 2009, the Bid Committee awarded the contract for Pre-Construction and Construction Services for the Nathan Phillips Square Revitalization project to PCL Constructors Canada Inc. This report can be found at the following link:  
<http://www.toronto.ca/legdocs/mmis/2009/bd/bgrd/backgroundfile-22793.pdf>

Awarding of this contract in the amount of \$28,000,000.00 was authorized under the Municipal Code, Chapter 195-16, Extended Authority of the Bid Committee. This award was reported to the Government Management Committee (GMC) by the Director of Purchasing and Materials Management on October 14, 2009. This report can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2009/gm/bgrd/backgroundfile-24129.pdf>

On August 25, 2010 Council approved the amendment to Purchase Order 6029461 by \$4,813,000.00 to \$32,813,000.00 to include additional and increased scopes of work required for the additional improvements to the Toronto Parking Authority's (TPA) parking garage and for the increase scope of work related to the new bicycle storage facility located in the parking garage. Also, Facilities Management identified additional scope of work related to the deteriorated condition of the existing slab requiring repairs. This report can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-32983.pdf>

## **ISSUE BACKGROUND**

In 2012, GMC received two up-dates (GMC meeting 14 on May 24, 2012-GM14.1 and GMC meeting 15 on June 27, 2012- GM 15.1) which reviewed the scope of the project and the expected timelines for completion of the various elements. The reports can be found at the following links:

GM14.1 - <http://www.toronto.ca/legdocs/mmis/2012/gm/bgrd/backgroundfile-47367.pdf>

GM15.1 - <http://www.toronto.ca/legdocs/mmis/2012/gm/bgrd/backgroundfile-48377.pdf>

The implementation of the NPSR project is being phased to minimize disruption and to accommodate the various activities and events taking place on Nathan Philips Square on an ongoing basis.

## COMMENTS

### Project Elements and Schedule

The NPS project construction (including revitalization and State of Good Repair (SOGR) work) is divided into four phases with various project elements scheduled for completion from 2010 to 2014 and is summarized as follows:

- Phase 1A was completed in May 2010 with the construction of the new City Hall Podium Green Roof.
- Phase 1 was completed in 2010-2011 as follows:
  - replacement of the children's playground equipment (*completed December 2010*);
  - new Skate Pavilion and Concession building (*completed November 2011*); and
  - underground infrastructure work for other project elements, including electrical, data, water, sewer, and gas site services (*completed December 2011*).
- Phase 2 was completed in 2012 as follows:
  - the new northwest vehicular laneway (*completed February 2012*);
  - a nine-jet water fountain feature and new electrical and data hydrants in the middle of the Square (*completed July 2012*);
  - the new theatre stage (*completed in December 2012*); and
  - the relocated Peace Garden (*partially completed in 2012*)
- Phase 3 is targeted for completion by the middle of 2014:
  - increased landscaping along the western edge of the Square - completion by end of 2013;
  - completion of deferred work related to the relocated Peace Garden – completion by end of 2013;
  - new planting and landscaped surfaces for the Queen Street frontage of the Square; and
  - upgrading the existing building at the corner of Queen and Bay Streets;
- Phase 4 is targeted for completion by the end of 2014:
  - Bay Street streetscape; and
  - Upgrading the underground PATH pedestrian walkway.

The proposed new restaurant will be constructed separately (tentatively scheduled for 2013-2015), based on a Request for Proposals selection process and a business case to lease the restaurant to a private restaurant operator.

Renovation of the Ceremonial Ramp is being constructed separately as part of the State of Good Repair scope of work and is scheduled for completion at the end of 2019.

## **Project Procurement Process**

Construction of the NPSR project Phases 1 and 2 is under a Construction Management (CM) contract with PCL Constructors Canada Inc. (PCL) as awarded to PCL in August, 2009. This type of contract is used when construction must be performed in phases before the total design is 100% complete. The fee payable for construction management under the CM Contract for this project is based on a fixed percentage fee with reimbursable CM overhead and direct work subcontractor costs with provisions requiring constructor input into the ongoing design for value engineering and constructability. Under the CM Contract, the design for the various phases of the construction work would be completed and each phase of the construction work tendered and priced separately. The original contract amount was therefore an estimate subject to change based on the results of each tender stage and additional value engineering.

The design for NPSR project by PLANT Architect Inc., Perkins and Will Architects in Joint Venture is now 100% complete. With the exception of the deferred relocated Peace Garden work, construction of Phases 1 and 2 of the NPSR project is now complete and the value of the existing CM contract will be fully expended.

The CM Contract contemplates that the City and PCL may enter into further agreements for the construction work, to be undertaken in phases. At each stage, the contract contemplates that the parties may decide to negotiate the price for the work. However, the City is not under any obligation under the CM contract to enter into a contract with PCL for any construction work. The contract therefore provides flexibility for the City to complete the work using another process and/or contractor once the value engineering and constructability input is no longer required.

To proceed with construction of Phases 3 and 4 and related work, the City has chosen to end the existing CM Contract with PCL in accordance with the terms of the CM Contract. Performing construction under an RFP sourced CM form of contract is historically more expensive (estimated typically at 2% to 3 % higher) than under a public tender sourced Stipulated Price Lump Sum form of contract.

Facilities Management (FM) has prepared the required scope of work and Purchasing and Materials Management has issued a new tender to obtain the best contract value for the City for future phases of the construction work. The tender is based on the completed NPSR design. The tender will be awarded to the lowest bidder, based on a Stipulated Price Lump Sum standard contract form. On this basis, construction activity on the Nathan Phillips Square is planned and will be restarted in the Summer of 2013.

The approved budget for NPS Revitalization (NPSR) is \$51.749 million. Through the 2010 and 2013 Capital Budget process funding in the amounts of \$4.50 million - Public Realm and \$4.146 million - Pan Am Games was approved which gives the total NPS budget of \$60.395M. Of this amount, invoiced and paid as at February 28, 2013 is \$38.4M, per Appendix 1.

## **CONTACT**

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## **SIGNATURE**

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Josie Scioli  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix 1: Nathan Phillips Square Revitalization Project – Project and Budget Status