TORONTO

STAFF REPORT
ACTION REQUIRED

Old City Hall HVAC Project – Status Update

Date:	June 1, 2015
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	27 – Toronto Centre-Rosedale
Reference Number:	P:\2015\Internal Services\FAC\Gm15012fac (AFS # 20306)

SUMMARY

The purpose of this report is to advise on the status of the Old City Hall HVAC project, including the current status of the cost, the schedule, the design and construction contracts, and to advise on the next steps staff are undertaking to complete this project.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

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

FINANCIAL IMPACT

Funding for the Old City Hall HVAC upgrades project is available in the 2015 Approved Capital Budget for Facilities Management and Real Estate (FM&RE). Total project cost is $36.9 million, fully funded through City Debt.

The project is currently forecasting to be completed on budget. The updated cash flow forecast for the project is shown in Table 1 below.

Table 1 – Updated Old City Hall HVAC Cash Flow Plan ($ millions)			
	Life to Date Spent (As of Dec 31, 2014)	**2015**	**Total**
Current Estimates	33.053	3.846	**36.899**
Approved Plan	33.053	3.846	**36.899**
Variance	**0**	**0**	**0**

Total cash flows for 2015 are $3.846 million, and year to date spending as of April 30, 2015 is $0.814 million. Forecasted spending for 2015 totals $3.846 million, or 100% of the 2015 approved cash flow funding. The project is on schedule to finish in August of 2015.

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

DECISION HISTORY

Council, at its meeting of April 29 and 30, 2009, adopted a report recommending the award of the contract in two separate purchase orders, with the second purchase order being subject to Budget Committee approval. The total of the contract award (net GST) was $32,700,000.

Budget Committee at its meeting of November 19, 2009, approved the funding for the second purchase order. The background information for these decisions (PO# 6029453 for $21,061,550 and PO# 6032199 for $11,638,450, for a total of $32,700,000) can be found at the following links:

http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.GM22.17
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.BU59.1

A total budget of $36,899,175 had been approved sequentially from 2004 to 2010. The background information for these decisions can be found at the following links:

http://www.toronto.ca/legdocs/2004/agendas/council/cc040419/cofa.pdf
http://www.toronto.ca/legdocs/2005/agendas/council/cc050221/cofa.pdf
http://www.toronto.ca/legdocs/mmis/2007/cc/minutes/2007-12-11-cc15-mn.pdf
http://www.toronto.ca/legdocs/mmis/2007/cc/minutes/2007-12-11-cc15-mn.pdf
http://www.toronto.ca/legdocs/mmis/2007/cc/minutes/2007-12-11-cc15-mn.pdf
http://www.toronto.ca/legdocs/mmis/2007/cc/minutes/2007-12-11-cc15-mn.pdf
http://www.toronto.ca/legdocs/mmis/2008/cc/minutes/2008-12-10-cc28-mn.pdf
http://www.toronto.ca/legdocs/mmis/2009/cc/minutes/2009-12-08-cc44-mn.htm

ISSUE BACKGROUND

The implementation of the Old City Hall HVAC Project is being phased to accommodate the tenants and ensure no disruption of their operations. The project is scheduled to be completed by August 2015 within the original budget. City staff will continue to monitor the progress of the project closely to ensure the project is in line with the Contract.

The City is in receipt of a claim from the Contractor for out of sequence work and a request for time extension. Staff are in the process of reviewing the claims to ensure they represent actual work completed, charges are competitive and fair and additional costs due to delays that were caused by the contractor are not included. Negotiations with the contractor may be required in order to minimize the claims.

COMMENTS

Project Status

The design for the Old City Hall HVAC Upgrade project was completed by The Mitchell Partnership Inc. (TMP) in 2008, prior to construction. Construction commenced in February 2010. To date, construction in the attic, basement, south west, south east and north east quadrants are complete. The North-West quadrant is approximately 85% complete.

Planned construction remaining in 2015 consists of HVAC upgrades to the North-West quadrant.

The anticipated completion date for the Old City Hall HVAC project has been revised from March 2015 to August 2015. The extension is due to contractor issues, challenging site conditions, heritage features and limited accurate as-built drawings.

CONCLUSION

The anticipated completion date for the Old City Hall HVAC project has been revised from March 2015 to August 2015.

City staff shall take the appropriate measures in the administration of the Contract to ensure that the project is completed by the revised completion date and on budget.

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SIGNATURE

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