



STAFF REPORT ACTION REQUIRED

Nathan Phillips Square Revitalization 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\Gm15015Fac-(AFS 20303)

SUMMARY

The purpose of the report is to advise on the status of the Nathan Phillips Square Revitalization (NPSR) project including the current status on the project, schedule and advice on the next steps.

With the completion of the project elements described within this report and financial reconciliation of the project budget, the NPSR project will be brought to conclusion by the end of December, 2015.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

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

FINANCIAL IMPACTS

Funding for the Nathan Phillips Square Revitalization project is available in the 2015 Capital Budget for Facilities Management. Total project cost is \$60.395 million and the funding sources are outlined in Table 1 below.

Table 1 – Nathan Phillips Square Revitalization Funding Sources (\$ millions)	
Debt Funding	16.000
Contribution from Transportation Services (Bike Station)	1.200
Contributions from Toronto Parking Authority	2.536
Pan Am Games Funding	4.146
Reserve Funds – LARF	8.900
Reserve Funds - Capital Financing Reserves	18.113
Reserve Funds – Public Realm	9.500
Total Project Cost:	60.395

The total project cost consists of approved funding for the NPSR elements of \$51.749 million and state of good repair of \$8.646 million. Refer to Appendix A – Life-to-Date Financial Update for costs incurred up to April 30, 2015.

The project is currently forecasting to be completed on budget. The updated cash flow forecast for the project is shown below in Table 2 below.

Table 2 - Updated Nathan Phillips Square Revitalization Cash Flow Plan (\$ millions)			
	Life to Date Spent (As of Dec 31, 2014)	2015	Total
Current Estimates	55.600	4.795	60.395
Approved Plan	55.600	4.795	60.395
Variance	0.000	0.000	0.000

Cash flows approved in the 2015 Capital Budget for Nathan Phillips Square totals \$4.589 million, of which \$1.225 million has been spent as of April 30th 2015. This represents work completed and invoiced up to the end of February, 2015. An additional \$3.570 million is expected to be spent by year end which will include costs for work completed to late September, 2015 as well as completion of the remaining project elements.

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

DECISION HISTORY

The following information relates only to the Construction Management Contract with PCL Constructors Canada Inc (Phases 1 & 2).

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 was authorized under the Municipal Code, Chapter 195-16, extended Authority of the Bid Committee. This award was reported to the Government Management Committee 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 to \$32,813,000 to include additional and increased scopes of work required for the additional improvements to the TPA's 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>

The following relates only to the Award of the contract to Four Seasons Site Development Limited (Phases 3 & 4).

At its meeting held on July 5, 2013 the Bid Committee awarded the contract for Nathan Phillips Square Project Phase 3 to Four Seasons Site Development Limited in the amount of \$11,473,786 plus HST. This report can be found at the following link:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.BD133.2>

The following relates only to the amending agreement with Plant Architect Inc. and Perkins + Will Canada Corporation in Joint Venture as per the GM23.10 report.

At its meeting held on July 16, 17, 18 and 19, 2013, Council approved the amendment to Purchase Order 6024178 for the architectural and related design services and contract administration services for the implementation of the Nathan Phillips Square Revitalization Project increasing the Purchase Order value by \$898,185 net of all applicable taxes and charges (\$913,993 net of HST recoveries), revising the current contract value from \$4,297,815 (\$4,373,456 net of HST recoveries) to \$5,196,000 (\$5,287,449 net of HST recoveries) net of all applicable taxes and charges. This report can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-59093.pdf>

The following relates only to the Award of the contract to Struct-Con Construction Ltd. (Bike Storage Facility)

At its meeting held on November 19, 2014 the Bid Committee awarded the contract for Bike Storage Facility for Nathan Phillips Square Revitalization Project to Struct-Con Construction Ltd. in the amount of \$1,266,912 plus HST. This report can be found at the following link:

<http://www.toronto.ca/legdocs/mmis/2014/bd/bgrd/backgroundfile-73736.pdf>

ISSUE/ BACKGROUND

In 2012, GMC received two up-dates (May 24, 2012- GM14.1, and June 27, 2012- GM15.1),

In 2013, GMC received two up-dates (May 7, 2013-GM21.10 and GM21.11).

In 2014, GMC received one up-date (July 14, 2014 – GM32.11)

In 2015, GMC received one up-date (February 10, 2015 – GM 1.3)

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>

GM21.10- <http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-56845.pdf>

GM21.11- <http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-56842.pdf>

GM32.11 - <http://www.toronto.ca/legdocs/mmis/2014/gm/bgrd/backgroundfile-72180.pdf>

GM1.3 - <http://www.toronto.ca/legdocs/mmis/2015/gm/bgrd/backgroundfile-74155.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 Phillips Square on an ongoing basis.

COMMENTS

Project Elements and Schedule

The NPSR project construction (including Revitalization and State of Good Repair SOGR work) is divided into phases with various project elements scheduled for completion from 2010 to 2015 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*);
- the new theatre stage (*completed in December 2012*);
- a nine-jet water fountain feature and new electrical and data hydrants in the middle of the Square (*completed July 2012*);
- the relocated Peace Garden (*partially completed in 2012*);and

Phase 3 & 4 are targeted for completion by the end of 2015:

- South Western Quadrant
 - New planters beds in the south western corner of the square (*completed in December, 2014*);
 - New tree and perennial plantings along the western edge of the square (*completed in May, 2015*);
 - New wooden seating around the south western corner planter beds (*completed in May, 2015*);
 - New landscaped surface along the western edge of the Square is scheduled for completion by June, 2015.
- Peace Garden
 - New Peace Garden landscaped area, planter beds and seating is scheduled for completion by June 11, 2015;
 - New Peace Garden Reflecting Pool, Eternal Flame and Pavilion are scheduled for completion by September 11, 2015;
 - Commissioning of Peace Garden Pool & Eternal Flame infrastructure and occupancy approval is scheduled for completion by September 11, 2015.
- New landscaped surfaces for the Queen Street forecourt of the Square including the lowering of the ventilation shaft (*completed in December, 2014*);
- Elevator modernization & building upgrade of the Rabbit Stair parking garage access at the corner of Queen and Bay street is scheduled for completion by June 1, 2015;
- New electrical / communication hydrant access hatches to be installed at various locations throughout the square. This work is scheduled for completion after the PanAM Games by early September, 2015;
- New public seating around the nine-jet water fountain feature and Reflecting Pool. This work is scheduled for completion by late September, 2015.

Restaurant Phase:

The proposed new restaurant will be constructed separately as a stand-alone project and will be scheduled once a successful proponent is selected based upon an RFP selection process to design, build, finance and operate the restaurant.

Bike Storage Facility:

- Demolition of existing water proofing system and repairs to existing parking garage concrete floor slab and walls (completed in April, 2015);
- New perimeter curb walls and wire mesh enclosure is scheduled for completion by July, 2015;
- New security cameras and infrastructure is scheduled for completion by early July, 2015;
- New reception office and service / repair room are scheduled for completion by early July, 2015.

Construction Activities in Progress

Phase 3 & 4:

Queen and Bay Street Elevator Building:

The Rabbit Stairwell building and elevator modernization work has been completed with final Technical Standards & Safety Authority (TSSA) & Building Department inspections pending. The project team is aiming for opening of the area to the public for June 1, 2015.

South Western Quadrant:

The south west landscaped area of the square is being graded and prepared for installation of limestone screening in lieu of the original plans for a grass surface. This change was made at the request of the 2015 PanAM event organizers due to the temporary installation of a tent structure over the entire area. The more durable limestone screening will save the City the cost of replacing and maintain the grass due to the inevitable damage by the temporary tent structure. This area is scheduled to be handed over to the 2015 PanAM organizers by June 1, 2015.

Peace Garden:

The Peace Garden landscaped surface area is being graded and prepared for installation of a stabilized aggregate and is expected to be completed and open to the public by June 11, 2015.

The Pavilion was erected as part of the previous Phase 2 construction but the installation of granite and dedication pavers was included as part of this Phase 3 work.

The dedication pavers are being scripted and etched off site and are scheduled to be delivered and installed by June 11, 2015.

The Pool tiling and granite work has started and will be completed by June 11, 2015; however, the commissioning of the pool mechanical systems, Eternal Flame infrastructure (burner and controller components) and occupancy approval will likely be completed after the PanAM Games by September 11, 2015.

The Eternal Flame Crucible is in fabrication off site and is expected to be installed once the Pool tiling and Granite work is completed.

Electrical / Communication Hydrants Access Hatches:

New electrical infrastructure was installed in various locations below the plaza surface as part of Phase 2 work but due to schedule, the installation of stainless steel access hatches was deferred.

The access hatch structural frame is currently in fabrication and will be ready for install early June, 2015 but due to coordination and constructor issues with the setup of the PanAM Games, the work may need to be delayed or partially phased until after the PanAM Games to early September, 2015.

Site Furniture:

Due to schedule as part of Phase 2, the installation of sixteen (16) new concrete benches around the nine-jet water fountain feature and replacement of twelve (12) existing concrete benches around the Reflecting Pool was deferred.

The costs submitted by the contractor are under review and pending approval, the shop drawing and fabrication process is expected to take four (4) months with delivery and set in place late September, 2015.

The claims presented by the General Contractor for additional costs and time extensions continue to be managed by the project team while the project continues to proceed with all parties pushing for total completion by September, 2015.

Bike Storage Facility:

The Bike Storage Facility for Nathan Phillips Square Revitalization Project was awarded by the Bid Committee on November 19, 2014 to the low bidder, Struct-Con Construction Ltd. Work commenced on February 23, 2015.

The location of the work is on the P1 & P2 parking levels of the TPA Stage I parking garage.

The work currently underway includes the building of a galvanized steel mesh enclosure around the footprint of the site, the installation of a Service / Repair Room and a reception office and lockers for public use.

The facility is designed to accommodate up to 300 bicycle racks but the quantity will depend on the type of rack selected by Transportation Services. The bicycle racks are being procured by Transportation Services outside of the current contract with Struct-Con Construction Ltd.

The work is currently within budget and on schedule for completion by July, 2015 prior to the PanAM Games.

Project Elements Not in Current Scope

Sheraton Bridge

Facilities Management staff retained Read Jones Christoffersen Ltd. (RJC) to prepare a Condition Survey Assessment of the Sheraton Centre Elevated Walkway Pedestrian Bridge.

The final version of the report is expected by early June, 2015 and will form a part of the discussions with the Sheraton Hotel about the intended use and maintenance plan of the bridge.

Restaurant Operator/ Developer Selection Process

The restaurant element of the NPSR project is being initiated with a two stage proposal call process. The intent is to secure a restaurant operator / developer to finance, build and operate a full-service restaurant in the southwest quadrant of Nathan Phillips Square in a manner that preserves the integrity of the original design theme. In a recent report to Government Management Committee and subsequently adopted by Council on February 10 2015 GM1.3, Council directed that the Nathan Phillip Square Restaurant and food services "be considered within the overall context of Nathan Phillips Square and City Hall with the goal of providing healthy food choices, selection, value and an acceptable economic return to the City". As part of the recommendations of GM1.4, Council directs "Chief Corporate Officer to consult with the Ontario Restaurant Association and training organizations such as the YMCA, UNITE HERE Local 75, George Brown College and other social enterprise food service providers...to determine the feasibility of and possible interest in a social enterprise food services operation being established at City Hall following the expiry or termination of the Lease. Therefore before any additional work for the Restaurant Operator/ Developer selection process can continue, consultation with the social enterprises and training organization must occur and be reported back to City Council through Government Management Committee. Once staff report back to GMC and if the results of the consultations with social enterprise food service providers indicate that a social enterprise model is not feasible, staff will begin with the proposed selection process identified in GM1.4 Appendix 1.

The new process that Real Estate Services staff intends to follow, (and which Council endorsed), to find a new tenant for the restaurant will be somewhat similar to the process that was used to select the commercial head lessee for Union Station. This will entail the use of a Process Monitor to ensure objectivity, transparency and compliance with the defined process evaluation and this will also involve the use of an advisor with expertise in restaurant operations, finance and construction to assist staff from Real Estate Services with the selection process.

Staff and the advisor will be responsible for finding potential tenants who meet certain minimum financial/experience-based criteria established by the advisor and Real Estate Services staff ("qualified potential tenants"), using both relationship based and non-relationship based marketing/business development efforts. The search team will then seek input from the qualified potential tenants, through an iterative process, to test "market response" to the City's proposed lease terms. As feedback is received from the qualified potential tenants, the advisor and Real Estate Services staff will determine whether the City's proposed lease terms should be modified to reflect some or all of the feedback. The Process Monitor will ensure that all qualified potential tenants are treated the same and receive the same information at the same time.

A detailed outline of the proposed process is set out in GM1.4 Appendix 1 (see link below)

GM1.4 Appendix 1 - <http://www.toronto.ca/legdocs/mmis/2015/cc/bgrd/backgroundfile-76244.pdf>

Real Estate Services has met with a number of the social enterprise groups and have conducted site visits of the space; three have declined the opportunity, one has not responded to City's letter to meet, and four appear to show preliminary interests. Real Estate Services has asked for a formal "high level" submission to be presented to the City by the third week of June 2015 in preparation of a report to be submitted to Government Management Committee in August of 2015 and City Council in September of 2015.

CONCLUSION

Construction related activities and financial reconciliation of individual contracts and the overall project budget related to the Nathan Phillips Square Revitalization (NPSR) Project are expected to be complete by the end of December, 2015. This will officially bring to conclusion the NPSR Project.

The overall project budget of \$60,395,000 is sufficient to complete all outstanding work outside of any claims.

Staff shall take the required measures in the administration of the various contracts to ensure that this occurs.

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SIGNATURE

Josie Scioli
Chief Corporate Officer

Attachment: Appendix A – Life-to-Date Financial Update

Appendix A – Life-to-Date Financial Update

Facilities Management and Real Estate Nathan Phillips Square Revitalization Project Financial Update (000s) - As of April 30, 2015



Phase	Total Capital Plan (Current)	Actuals (LTD)	% Spent (Actuals / Plan)	Forecasted Final Costs	Forecast vs. Current Plan
Phase 1 & 1A	21,701	21,701	100.00%	21,701	-
Phase 2	25,048	23,168	92.50%	25,048	-
Phase 3 & 4	13,646	11,955	87.61%	13,646	-
Total Nathan Phillips Square Revitalization Cost	60,395	56,825	94.09%	60,395	-

Notes:

SOGR work included in the Total Capital Plan of \$60.4 million consists of the following:

Description	\$ Amount	Phase
Podium roof membrane	2,700	1A
TPA scope of work	2,536	1,2,3
Loading dock slab	313	1
Rabbit stair cladding	1,200	3
Animal stairs	450	3
Podium tower flood lights electrical	100	1A
Electrical/Mechanical infrastructure SOGR	1,347	1,2,3
	8,646	

Phase Descriptions:

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);
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Phase 2 - was completed in 2012 as follows:

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