

Facilities 2017 Capital Budget and 2018 – 2026 Capital Plan Adjustments (Q1)

Date: March 8, 2017
To: Budget Committee
From: Chief Corporate Officer
Wards: Various

SUMMARY

This report requests authority to amend the Facilities, Real Estate, Environment & Energy (FREEE) 2017 Council Approved Capital Budget and 2018-2026 Capital Plan. The amendments will have zero gross and net debt impact corporately and will better align 2017 and future cash flows with FREEE program requirements.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council authorize the reallocation of funds in FREEE's 2017 Council Approved Capital Budget in the amount of \$1.343 million, as illustrated in Schedule A (attached), with zero gross and net debt impact.

FINANCIAL IMPACT

The approval of this report will authorize the reallocation of 2017 approved cash flows in the amount of \$1.343 million, as detailed in Schedule A, for State of Good Repair (SOGR) projects.

This amendment to the 2017 Council Approved Capital Budget and 2018-2026 Capital Plan for Facilities, Real Estate, Environment & Energy (FREEE) will have a zero gross and net debt impact. There are no additional costs to the City as a result of approval of this report. The recommended adjustments will align the 2017 Capital Budget with FREEE's capital program requirements for 2017 and beyond.

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

DECISION HISTORY

City Council, at its meeting on February 15 & 16, 2017, approved the Facilities, Real Estate, and Environment & Energy 2017 Capital Budget and 2018 – 2026 Capital Plan, which included 2017 cash flows of \$184.134 million and 2016 preliminary carry-forward funding of \$105.221 million.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX12.2>

ISSUE BACKGROUND

The amendments will ensure proper funding is in place to tender and award contracts, as well as complete and close out projects in a timely manner, as existing funding levels for the specified projects have been deemed insufficient.

COMMENTS

2017 Budget Adjustments

Funding in the 2017 Capital Budget is being redirected for additional consulting and contract administration costs identified during the construction close-out phase of the Old City Hall HVAC Upgrade project. The main consultant on the project submitted a request for additional costs related to prolonged delays experienced during the project. During the close out phase Staff reviewed this request, with assistance from City Legal. A fair and reasonable amount of additional costs owed to the consultant was determined. This budget adjustment will allow for an amendment to the consultant's contract to ensure costs can be paid and the project closed. There continues to be claim settlements outstanding.

Funding is also being redirected to complete a number of feasibility studies at City Hall, including a building condition audit, studies of the audio/video system in the Council chamber, and the Climate Change Resiliency Assessment.

To offset these funding needs, several projects have been identified where project bids have recently been received that are less than planned amounts; where projects have been delayed and/or deferred due to confirmation of requirements; or where the project scope has been reduced. See Schedule "A" for detailed listing.

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SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Schedule "A" - 2017 Budget Adjustments