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BALES DRIVE
TRANSPORTATION AND WORKS OPERATION CENTRE AND FLEET MAINTENANCE FACILITY

The Transportation and Works Committee recommends the adoption of the recommendations contained in the following report, June 14, 2003, from the Commissioner of Corporate Services:

1. RECOMMENDATIONS

It is recommended that:

1. The revised project scope and corresponding budget increase of $4,933,257.00 (from $16,672,106 to $21,605,363) for the construction of the Transportation and Works Operation Centre and Fleet Maintenance Facility at Bales Drive be approved.

2. The revised contract with URS Architects and Engineers Canada Inc. to provide architectural design services for this project at a total cost of $1,059,403.00 plus disbursements be approved.

3. The revised contract with Cumming Cockburn Limited to provide engineering consultant services for this project at a total cost of $364,038.50 and disbursements be approved.

4. The shortfall in funding be provided through a reallocation of $2,000,000.00 from the Property Services Branch 2004 Capital Budget and $2,933,257.00 from the General Capital Reserve.

2. PURPOSE

The purpose of this report is to seek Transportation and Works Committee and Regional Council's authorization for an increase in the approved 2004 Capital budget for the Transportation and Works Operations Centre and Fleet Maintenance Facility at Bales Drive. This increase is the result of rising construction costs, a significant change of scope of the original project and a corresponding increase in consulting fees.

The report will also update the Committee on the impact of Bill 27, the *Greenbelt Protection Act, 2003* on the Bales Drive project.

3. BACKGROUND

In 2002, The Regional Municipality of York acquired a 132 acre property on Bales Drive, Part of Lot 2, Concession 4, Town of East Gwillimbury.

The original purpose of this land acquisition was to locate the new Material Recovery Facility on the site. In June 2002, Regional Council approved both the relocation of the Transportation and Works Operation Centre from its current location at St. John's Sideroad and Woodbine Avenue in the Town of Whitchurch-Stouffville, and the location of the proposed Joint Communication/Emergency Operations Centre to the Bales Drive site.

The existing site at Woodbine Avenue has significant shortcomings. The building systems (HVAC), roof and windows need replacing and there is no potable water on site. The existing building does not meet present or future program requirements.
The Bales Drive site's central location within the Region is ideal, providing excellent access to Highway 404. This site also provides adequate room for future program expansion. Part of the existing site at St. John's Sideroad would remain as a District Patrol Yard.

In 2003, there was a significant change in the scope of the project. The Needs Assessment Study on the Administrative Centre had identified several space pressures in the building and had recommended that the direct service delivery functions be relocated out of the building over time in order to free-up space for the future expansion of corporate users. Bales Drive provided an opportunity in this regard. The relocation of the Transportation and Works Department would not only relieve space pressures within the Administrative Centre, it would also take advantage of significant operational synergies through co-locating with the Regional Operations Division.

This second relocation resulted in the expansion of the original one storey building to a two storey building to accommodate over 100 Design and Construction staff.

4. ANALYSIS AND OPTIONS

4.1 Justification for Increase in Project Cost

The existing budget of $16,672,106 was prepared immediately following the decision to expand to a two storey building, and was approved as part of the 2004 Capital budget process. At that time only an architectural plan of the first floor and a site plan had been developed. Plans had not been developed for the second floor nor had structural, mechanical, or electrical designs for the proposed facility. As such the additional costs for the second floor were based upon broad estimates of construction costs at that time.

The current budget estimate of $21,605,363 includes the hard construction costs of $16,267,000 which is based upon 100% construction drawings provided by the Region's

consulting Quantity Surveyor. Construction estimates prepared on this basis are generally accurate within 5%. The existing budget estimate was based upon a building area of 86,565 sq. ft. The building has now increased in size by an additional 8,071 sq. ft. as a result of revised program requirements. The building is now 94,636 sq. ft. This increase in size and a number of changes to the requirements of the facility have resulted in an impact of over $1.30 million on the budget.
A major factor in the revised budget has been the increase in the price of steel which has risen approximately 35% since the preparation of the original budget. The building is a two storey steel structure with a double height repair garage, which requires substantial steel bracing. The costs for all mechanical and other equipment using steel has also increased. The impact of this increase is approximately 6% of hard construction costs ($1.025 million).

With the addition of the second floor and the relocation of over 100 additional staff, the focus of the building changed from a repair facility to a professional office building and ancillary uses. This has resulted in upgrades to the building system. The mechanical systems were designed with a centralized building automation system and include a number of environmental controls and sensors to ensure that the indoor temperature, humidity and ventilation can be maintained within the range of accepted comfort levels. This includes an increased number of air distribution boxes over that which would have been anticipated for a similar standard building.

In addition, the facility incorporates a number of energy efficiency features, such as a computerized light dimming system, water recycling for toilet flushing through the on-site sewage treatment plant, gas line installation for future retrofit of the diesel generator to bi-fuel, and a number of energy efficient equipment motors and components. While there is a premium for this work (estimated around $1.19 million) this initiative will pay-back through reduced operating costs. We anticipate energy savings of 25-30% annually and an application has been made to the Federal Government for funding under the Commercial Building Incentive Program (CBIP) to offset some of these costs.

Certain components of furniture, fixtures and equipment were not allocated to the original Capital budget. The project will be implemented within a turn-key budget and will now include such items as warehouse and shop equipment; audio visual equipment, a site perimeter CCTV security surveillance system, and furniture. These increases total $420,000. Many of these features do not exist at the existing locations or are replacing outdated equipment. The existing Design and Construction staff furniture at the Administrative Centre is required for corporate use.

There were also additional increases in land development costs since the original budget was approved. The Lake Simcoe Region Conservation Authority requested significant changes to the Stormwater Management Plan to protect the adjacent cold water fishery habitat. In addition, the Town of East Gwillimbury required that the existing Bales Drive be upgraded to better accommodate additional vehicular traffic, even though this road is outside of the plan of subdivision. A further increase resulted in the inclusion of the intersection and lighting improvements at Woodbine Avenue. These increases totalled approximately $1 million.

4.1.1 Increase In Consultant Fees

a) URS Architects and Engineers Canada Inc.

In June 2002 Regional Council approved the relocation of the Transportation and Works Operations Centre and Fleet Maintenance Facility from its current location on Woodbine Avenue to Bales Drive, and also approved the continued retention of URS Cole Sherman as the Project Architect for the design of the new facility. URS had previously been retained to evaluate the current facility and to assess the future needs of the Transportation Operations Branch. In addition, this firm was selected as the successful proponent through an RFP process to design the facility at the St. John's Sideroad location.

Staff have recently negotiated an agreement with URS Cole Sherman (now called URS Architects and Engineers Canada Inc.) to provide design and all other consultant related services for this project at a total cost of $1,059,403.00 plus GST and disbursements. The fee rate negotiated with URS is considered to be a fair and competitive rate for the services that are required for this project and based on the most recent construction estimate for this project represents a fee rate of less than 6.5%. The Region usually pays between 6.5% and 8% for these services. It should also be pointed out that the consultant has provided architectural and engineering services within this fee rate for the design and development of the building that will house the sewage treatment plant that will service both this development and the Joint Operations Centre Project. This would normally be an added cost to the project and is seen to be a value added feature of the agreement reached with URS.

b) Cumming Cockburn Limited (CCL)

CCL was selected as the successful proponent through our RFP process to provide Engineering Consultant Services for the development of the Bales Drive Site. These services included the design and construction of all roads, stormwater management and sewage treatment facilities related to the approval of the plan of subdivision.

The original proposal from CCL to complete this work was $123,395.00 (including GST). The engineer consulting fees have now increased to $364,000.00 due to both an increase in scope of the project and requirements of the Lake Simcoe Region Conservation Authority related to Stormwater Management. The Town of East Gwillimbury had required that as a condition of subdivision approval the Region of York upgrade the existing north leg of Bales Drive to urban standards. This together with intersection and lighting improvements to the Bales Drive / Woodbine Avenue intersection were outside the original scope of work for CCL.

The Lake Simcoe Region Conservation Authority has also requested significant changes to the Stormwater Management Plan to protect local fish habitat. This resulted in a major redesign of the Stormwater Management Plan.

4.1.1.1 Due Diligence

Staff of the Corporate Services and Transportation and Works Department conducted a detailed review of the proposed budget and identified $756,000 of savings. This amount has been deleted from the proposed budget.

An additional $400,000 has been offset through allocation to the Emergency Operations Centre, which is proposed to be constructed immediately to the north of the Transportation and Works facility. Both buildings share a Sewage Treatment Plant, which must be constructed in the first phase of development and as such is included in the tender for the Transportation and Works facility. The total estimated cost of the Sewage Treatment Plant is $800,000, half of which ($400,000) will be allocated to the Emergency Operations Centre. The Capital budget for that building will therefore be increased by $400,000.

The design of the new facility also incorporates reduced Regional space and furniture standards which reduce the floor area by approximately 15% from existing Regional space standards. For example, manager's offices have been reduced to 120 sq. ft. from 150 sq. ft.

4.2 Bill 27, the *Greenbelt Protection Act*, *2003*

On December 16, 2003 the Province of Ontario introduced Bill 27, the *Greenbelt Protection Act, 2003* in the legislature. At the same time as the Bill was introduced, the Minister of Municipal Affairs filed Zoning Orders for land subject to the legislation that maintains the existing zoning and permissions. Regional Council at its meeting of January 22, 2004 endorsed a report reviewing and commenting on the provisions of Bill 27, including the issues relating to the development of additional Regional projects at the Bales Drive site.

Under the provisions of the proposed Bill, a municipality may not, among other things issue draft or final approval of a plan of subdivision for non-urban uses outside of existing urban areas for a period of one-year from December 16, 2003 to December 16, 2004.

At the present time the development of the planned Regional facilities (except the Waste Transfer Facility) at the Bales Drive site is subject to this legislation as the development of these uses must be preceded by final approval of the plan of subdivision on the lands which would be prohibited if the Bill is proclaimed as proposed.

During the past six months the Region has written to both the Minister of Municipal Affairs and Housing and the Chair of the Greenbelt Task Force to request relief from the provisions of Bill 27 for these critical Regional projects, however no response has been received. The Commissioner of Planning and Development Services also presented a brief to the Standing Committee hearing that requested the same relief.

At the date of the writing of this report, Bill 27 has completed clause by clause debate before the Legislative Standing Committee on General Government. The Bill and amendments have passed second reading the week of June 7. The Bill with amendments will be returned to the House for a third reading and proclamation.

Regional staff advise that relief has been included in the amendment to the *Greenbelt Protection Act, 2003* which is favourable to the Region's position.

4.3 Status of Tenders

The tender for the construction of the Transportation and Works Operations Centre and Fleet Management Facility has been issued and closes on June 15, 2004 (a verbal update on the preliminary results of the tender will be given to Committee).

The tender for the construction of the roads, stormwater management ponds, and street lights was issued on June 8, 2004 and closes June 22, 2004. There are sufficient funds allocated in the budget to cover these anticipated development costs.

5. FINANCIAL IMPLICATIONS

A budget of $16,672,106.00 for the Transportation and Works Regional Operations Centre has been approved in the 2004 Property Services Branch Capital Budget. Recent 100% construction estimates provided by the Region's consulting Quantity Surveyor estimate a total project cost of $21,605,363 a shortfall of $4,933,257.00, which represents a 29% increase in the cost of the project.

Approximately 16% of the building will be occupied by York Regional Police. Capital construction costs for the building have not been included in the Police Services 2004 capital budget. Discussions with the Police will occur with respect to a cost allocation based upon the amount of space occupied as part of the 2005 budget process.

Table 1 summarizes the increases in project costs. The increases in consulting fees are included in these figures.

Table 1

Table 1 Summarizes the Project Cost Increases (rounded figures)

Summary of Increases	Cost (Millions)
Existing Approved Budget	**$16.67**
Increase in Building Size	$ 1.30
Upgrades to Building Systems	$ 1.19
Increase in Price of Steel	$ 1.02
Increase in Furniture, Fixtures & Equipment	$ 0.42
Additional Development Costs	$ 1.00
Revised Budget	**$21.60**

5.1 Funding Sources

$2 Million will be reallocated from the 2004 Property Services Capital Budget. The remaining shortfall will be funded from the general Capital Reserve.

6. LOCAL MUNICIPAL IMPACT

Consolidating services on the Bales Drive site is an efficient and effective use of resources from both a human and financial perspective and will enable the Region to provide better service to the nine area municipalities. It demonstrates the Region's willingness to achieve its goal of high quality customer service to the citizens of York Region.

7. CONCLUSION

The proposed Transportation and Works Regional Operations Centre and Fleet Maintenance Facility allows the Region not only to vacate an existing sub-standard site, but also helps to resolve some of the acute space issues at the Administrative Building. The increase in project costs have been caused by a combination of market forces, changes in scope to accommodate a larger facility and regulatory agency requirements.

While the actual construction costs will be determined through the tender process currently being undertaken, the estimate of $171.00 per sq. ft. for hard construction costs is certainly within the market range for a project of this type.

The Senior Management Group has reviewed this report.