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CONTRACT INCREASE FOR YORK REGION EMERGENCY MEDICAL SERVICES PARAMEDIC RESPONSE STATION IN KESWICK

The Community and Health Services Committee recommends the adoption of the recommendations contained in the following report dated September 30, 2011, from the Commissioner of Community and Health Services.

1. RECOMMENDATIONS

It is recommended that:

1. The gross capital budget for the new Emergency Medical Services Paramedic Response Station in the Town of Georgina (Keswick) be increased by up to $500,000 for a total budget of $1,775,000.

2. The $275,000 under-expenditure and approved funding sources from the Emergency Medical Services Paramedic Response station project in the Township of King (Schomberg) be re-allocated to the Keswick Station project to mitigate the impact of the cost increases to the budget.

3. Additional Debt financing of $138,000 repaid from the Emergency Medical Services Development Charge Reserve, be approved for the Keswick Paramedic Response Station, resulting in a total of $888,000 in Emergency Medical Services Development Charge funded debt for this project.

4. $87,000 from the 2011 Tax Levy savings from the Emergency Medical Services Operating Budget be approved as a funding source for this project to allow for sufficient contingency funds to complete the project.

2. PURPOSE

This report provides an update on the development of the Emergency Medical Services (EMS) Paramedic Response Station in the Town of Georgina (Keswick) and proposes an increase in the budget to accommodate unforeseen costs related to site servicing and soil conditions. To offset this increase, the report also provides a financial update regarding the completion of the King Northwest (Schomberg) project and requests approval to transfer the capital under-expenditure from the Schomberg project to the Keswick project, as well as an increase in Development Charge (DC) funded debt. The remainder of the increased costs would be covered by the 2011 Tax Levy EMS Operating budget under-expenditure.

3. BACKGROUND

York Region acquired 160 Morton Avenue from the Town of Georgina to construct a stand-alone Paramedic Response Station in Keswick

York Region EMS currently leases space from the Town of Georgina in a building at 165 The Queensway South in Keswick. The lease expires on June 30, 2012. In order to address space issues and service the northern areas of York Region more effectively, the Region acquired 160 Morton Avenue, Keswick from the Town of Georgina with the intent of constructing an EMS facility on the site. Planning approvals and building permits were granted in 2010, which enabled the Region to move forward with construction in 2011.

Debris encountered underground during site servicing

The construction contract was awarded in December 2010 and had an anticipated start date of April 1, 2011. The contractor started site preparation in May 2011 due to poor weather conditions in April. During the preliminary excavation of the site a significant amount of debris was exposed that was not reflected in environmental and geotechnical analyses performed prior to construction. The debris uncovered consisted of asphalt, toilets and concrete caissons which were difficult to remove, required additional environmental testing and had to be shipped to specialized waste management facilities.

In accordance with Regional purchasing policies, the contractor was selected through a competitive bid process after having the lowest qualifying bid. As is standard in the construction industry, after the construction contract is signed, the contractor has legal control of the site and is responsible for all health and safety matters. During construction, any change orders related to construction are initiated by the contractor and reviewed by the project architect. Each change order is then reviewed by Property Services, who are overseeing the construction process, and signed off by the Chief and General Manager of York Region EMS, if they are deemed acceptable. The change orders related to debris removal were based upon unit rates in the construction contract and were consistent with industry norms.

Initial estimates to remove the debris were approximately $170,000, although the final cost was nearly $220,000 when, during excavation, two more caissons were uncovered. The final cost of the change order, when combined with a higher than expected construction tender price, committed the entire capital budget for this project.

4. ANALYSIS AND OPTIONS

Project construction is underway

Construction is currently underway on the Keswick EMS station. All debris has been removed from the site and work continues on the foundation system. It is not expected that any significant change orders will be incurred from this point forward since underground issues have been addressed.

5. FINANCIAL IMPLICATIONS

The Schomberg EMS Station was completed in the first half of 2011 with a total cost of approximately $800,000 against the approved budget of $1,075,000, resulting in an under-expenditure of $275,000 primarily as a result of partnering with King Township and constructing the project in conjunction with their recreational complex. This station is adjoined to the recreation complex resulting in savings in design and construction costs as compared to a stand-alone facility. The under-expenditure also reduces the funding requirements for this project.

The 2011 EMS Operating Budget is expected to be under spent by approximately $519,000 due to additional provincial funding received in 2011 not included in the Council approved budget.

The Keswick project began site servicing and construction in the second quarter of 2011, and there have been several unforeseen conditions and costs as outlined. The project is scheduled to be completed in 2011. The cost increases to date have utilized the contingency that was built into the budget estimates and a budget increase is needed in order to complete construction.

The report recommends transferring $275,000 of capital project budget approval, including associated funding sources from the King Northwest (Schomberg) project, to the Keswick project. The specific funding sources are $125,000 of EMS-DC funded debt and $150,000 from the debt reduction reserve fund.

In addition to the budget transfer, the report requests Council approval of an additional $225,000 to re-establish adequate contingency funds in accordance with standard construction practices, to be used only if needed to complete construction of the project. This increase is to be funded by $138,000 in additional EMS-DC funded debt and $87,000 from the 2011 EMS Tax Levy under-expenditure.

The gross expenditure budget for the Keswick Paramedic Response Station will be increased by $500,000 for a total budget of $1,775,000.

Table 1 below summarizes the budget changes being requested in this report.

Table 1
EMS King Northwest and Keswick Budget Reallocation ($'000s)

	King Northwest (Schomberg) (Project 54570)			Keswick (Project 54390)		
	Current Budget	**Proposed Budget**	**Change**	**Current Budget**	**Proposed Budget**	**Change**
Expenditures	1,075	800	(275)	1,275	1,550	275
Contingency			0		225	225
Total Gross Budget	**1,075**	**800**	**(275)**	**1,275**	**1,775**	**500**
Debt – DC funded	(500)	(375)	125	(625)	(888)	(263)*
Debt Reduction Reserve	(575)	(425)	150	(650)	(800)	(150)
2011 EMS Operating under-expenditure			0		(87)	(87)
Total Funding Sources	**(1,075)**	**(800)**	**275**	**(1,275)**	**(1,775)**	**(500)**

*The total change of $263,000 in DC-funded debt is comprised of the $125,000 transferred from King Northwest (Schomberg) and $138,000 in additional DC-funded Debt.

6. LOCAL MUNICIPAL IMPACT

The Georgina Fire Department has indicated that the fire department would have a use for the space presently occupied by EMS to house their new fire apparatus.

7. CONCLUSION

In order to address increased costs due to unforeseen site servicing issues, it is recommended that the overall budget for the Keswick Paramedic Response Station be increased from $1,275,000 to $1,775,000. A portion of the additional funding will be offset by unspent funds from the King Northwest (Schomberg) station, additional DC-funded debt and a portion of the 2011 Tax Levy under-expenditure in EMS Operating budget.

For more information on this report, please contact Norm Barrette, Emergency Medical Services Chief and General Manager at Ext. 4709.

The Senior Management Group has reviewed this report.