

ITEM 15
MANAGER'S REPORT NO. 13
COUNCIL MEETING 89/02/13

RE: CONSTRUCTION OF BONSOR RECREATION COMPLEX

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Chairman, Major Civic Building Project Coordination Committee be adopted.

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TO: MUNICIPAL MANAGER 1989 FEBRUARY 02

**FROM: CHAIRMAN, MAJOR CIVIC BUILDING
PROJECT COORDINATION COMMITTEE**
FOR: MEMBERS OF THE COMMITTEE:
- DIRECTOR ENGINEERING
- DIRECTOR PLANNING & BUILDING INSPECTION
- DIRECTOR RECREATION & CULTURAL SERVICES

SUBJECT: CONSTRUCTION OF BONSOR RECREATION COMPLEX

**PURPOSE: THIS REPORT PROVIDES INFORMATION ON THE INDICATED
FINAL COST AND OTHER ASPECTS OF THE BONSOR
RECREATION COMPLEX**

RECOMMENDATION:

1. THAT a Bylaw be brought down to amend Bylaw 6020 in order to authorize expenditure of the remaining funds for park development and facilities, including the Bonsor Recreation Complex.

BACKGROUND

Council, at its meeting of 1988 September 26, received a report from the Chairman, Major Civic Building Project Coordination Committee (Item 14, Municipal Manager's Report No. 61) concerning the Bonsor Recreation Complex. The report provided Council with the following information:

- Chronology of Bonsor Recreation Complex Project
- Replies to some specific enquiries
- Procedures and Policies implemented or to be implemented to avoid recurrence of the Bonsor difficulties
- Summary and Conclusions

Council adopted the following recommendation contained in that report:

1. "THAT this report be referred to the forthcoming informal meeting between Council and staff."

Also, arising from discussion of the report Council requested that staff develop a set of guidelines to ensure that all Council members are notified of problems which arise during major construction projects.

The guidelines asked for by Council are being presented this evening in a report item immediately following this Bonsor-specific report.

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REPORT

This report had been intended to be submitted to Council for its meeting of 1989 02 06 but some last minute developments prevented that from happening.

The members of the Major Civic Building Project Coordination Committee, assisted by other staff members, met several times just before and after the end of 1988 to bring to a conclusion the determination of the indicated final cost and other aspects of the Complex. It was not feasible to have held those meetings and to have written this report any earlier because the project was not yet finally completed and, as well, the status of the work was such that the Architect was unable to conduct his final inspection until 1989 January 23. All work is now completed except for very minor adjustments to the mechanical system, i.e., digital climate control and final system balancing, expected to take four or five days.

I. PROJECT COST

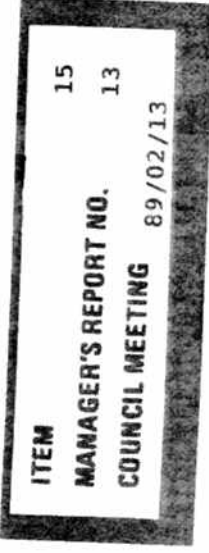
The attached Table provides as complete a picture of final project costs as is able to be determined at this time. On all projects, but particularly on ones of the magnitude of Bonsor, relatively small final cost adjustments continue to be required to be made for some time, even after final acceptance.

Bearing in mind the foregoing statement, the Table indicates that additional authority required for total financing amounts to approximately \$60,000, or 0.67% of the original estimated total cost. It should be noted that the total project final cost presently indicated includes architect services and the basic contract itself, as well as other items such as furnishings and landscaping which in themselves amount in total to some \$450,000, approximately.

The Director Finance has advised that funds are available to finance the shortfall on the Bonsor Recreation Complex from the unexpended funds still existing in the 1971 parks referendum. On 1971 December 11 a \$5.7 Million program for parks development and acquisitions, Bylaw 6020, was approved by referendum and the funds borrowed to finance it were placed in a separate capital reserve. The projects included in the program have been completed and as a result of investment income earned, grants, and other funds received an unused balance of \$133,960.67 remains.

The Municipal Act under Section 359(3) permits unused borrowed funds, with the approval of the Inspector of Municipalities, to be used for expenditures for a nature similar to the purpose in the Bylaw authorizing the money to be borrowed. To utilize the unused funds from the 1971 program, a bylaw to amend Bylaw 6020 is required to authorize expenditure of the remaining funds for park development and facilities. Pending approval of the Inspector of Municipalities and adoption of the amending Bylaw, the funding shortfall for Bonsor will be interim financed by Capital Contingency.

Accordingly, it is recommended that a Bylaw be brought down to amend Bylaw 6020 in order to authorize expenditure of the remaining funds for park development and facilities, including the Bonsor Recreation Complex.



II.

ARCHITECTURAL SERVICES

The Parks and Recreation Commission, in discussions with the Architect just prior to award of the construction contract, negotiated a 5% reduction in total architect fees, as well as achieving an agreement with the Architect that the new reduced amount of fees would be accepted as a maximum total fee.

The two figures shown in the Table as \$403,104 for design services and \$100,776 for supervision of construction, respectively, represent in total the reduced amount resulting from that negotiation. That amount, or \$503,880, remains the total paid to date despite a request from the Architect for the Corporation to recognize extra costs in the amount of approximately \$148,000 claimed to have been incurred by the firm and its sub-consultants resulting from the protracted duration of the construction contract. On 1989 January 13, the Chairman of the Major Civic Building Project Coordination Committee advised the Architect in writing that staff were not in a position to recommend to Municipal Council that further fees be paid.

III.

BONDING COMPANY AND LIEN CLAIMANTS

Representatives of the bonding firm, Alta Surety Company, have met with the lien claimants (consisting of subcontractors and suppliers to Wilson Industries Inc.) with a view to settling their claims. Prior to releasing the net amount still owing under the contract, it was necessary to achieve agreement from Alta in both substance and amount that the Corporation could offset against monies owing the Corporation for costs incurred in carrying out last-minute works (e.g., parking lot paving, landscaping) required prior to official opening of the Complex on 1988 April 09, and agreed to by Wilson Industries Inc. at that time.

It is expected that there will now be a speedy resolution of the whole question of payment to the lien holders and the attendant discharge of the liens.

IV.

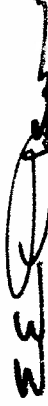
CONCLUSIONS

Many difficulties and problems were experienced during the construction of the Bonsor Recreation project, not the least of which were those arising out of the default of the original prime contractor, Wilson Industries Inc. It is realized that Council members experienced severe frustrations in coming to grips with these problems but it should be noted here that the Architect and Corporation staff members were certainly equally frustrated.

It was a complex project in the sense of the wide variety of skills and disciplines that were required to be working in unison in bringing about the finished product. Putting together the right combination of these skills and disciplines in the right numbers and at the right time was not always achieved.

The total experience was not a completely negative one when one recognizes some of the positive aspects, namely:

- The bonding system functioned, as shown by the company stepping in quickly following default, albeit a time-consuming function because of the many parties involved and the many legal questions requiring resolution prior to action being taken.
- A careful and wise choice of new general contractor was made. It is always difficult to take over someone else's work; Double V Construction performed exceptionally well in that regard.
- Despite problems and notwithstanding statements and indications to the contrary, quality of the product as specified in the contract was not sacrificed. The Architect and Municipal staff were ever aware of the need to insist that the specified quality was upheld.
- The Project was brought in at a cost which was extremely close to the original estimate.



E. E. Olson, P. Eng.
CHAIRMAN, MAJOR CIVIC BUILDING
PROJECT COORDINATION COMMITTEE

for: MEMBERS OF THE COMMITTEE:
- DIRECTOR ENGINEERING
- DIRECTOR PLANNING & BUILDING INSPECTION
- DIRECTOR RECREATION & CULTURAL SERVICES

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Attach.

cc: Director Finance
Director Planning and Building Inspector
Director Recreation and Cultural Services
Chief Building Inspector
Municipal Solicitor
Purchasing Agent