

## Report to Community and Protective Services Committee

**To:** Chair and Members  
Community and Protective Services Committee

**From:** Cheryl Smith, Managing Director, Neighbourhood, Children and Fire Services  
Scott Stafford, Managing Director, Parks and Recreation  
Anna Lisa Barbon, Managing Director, Corporate Services and City Treasurer, Chief Financial Officer

**Subject:** East Lions Community Centre Construction Update

**Date:** December 15, 2020

## Recommendation

That, on the recommendation of the Managing Director, Neighbourhood, Children and Fire Services, the Managing Director, Parks and Recreation and the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken:

- a) this report dated November 3, 2020, entitled “East Lions Community Centre Construction Update” **BE RECEIVED**; and,
- b) The existing contract with MacLennan Jaunkalns Miller Architects Ltd., **BE INCREASED** by \$426,230.00 to an upset limit of \$1,515,430.00 excluding HST in accordance with Section 20.3 (e) of the Procurement of Goods and Services Policy;
- c) The financing for this project **BE APPROVED** as set out in the Sources of Financing Report attached as Appendix “A”; and,
- d) The Civic Administration **BE AUTHORIZED** to undertake all administrative acts which are necessary in connection with the project.

## Executive Summary

The East Lions Community Centre will feature two indoor pools, gymnasium, activity room, multi-purpose community space, community kitchen, and artisan space and will serve the broad community in the East and Southeast areas of the city. An update to the adjacent East Lions Park is also underway and will include a new soccer field, tennis and pickleball courts, basketball court, accessible playground, new pathways, and plantings.

Civic Administration recognizes that local residents are feeling disappointed in the process and disheartened by the number of times the opening date for this new community centre has changed. Civic Administration is committed to this project and to working with a new Contractor, assigned to the Project by the bonding company Zurich Insurance.

The purpose of this report is to update Council on the developments related to the construction of the East Lions Community Centre at 1731 Churchill Avenue and to seek Council’s approval to increase the current contract with MacLennan Jaunkalns Miller Architects Ltd due to the delay in opening.

## Linkage to the Corporate Strategic Plan

**Strengthening our Community:** Londoners have access to the services and supports that promote well-being, health and safety in their neighbourhoods and across the city. Increase participation in recreation, sport, and leisure activities. Remove barriers to access recreation, sport, leisure, and leadership programs and services.

## Analysis

### 1.0 Background Information

#### 1.1 Previous Reports Related to this Matter

- Naming of New East Community Centre (September 10, 2019)
- East Community Centre Construction Update (August 13, 2019)
- East Community Centre Tender 17-67 Project #P015-RC2756 (October 11, 2017)
- Update on East Community Centre Build Project (June 20, 2017)
- Architect to Act as Prime Consultant for the East Community Centre (December 15, 2015)
- Update on East Community Centre Build Project (December 15, 2015)

### 2.0 Discussion and Considerations

#### 2.1 Revised Timeline

The last construction update report to Council in August 2019, noted that the timeline for opening of this facility was delayed from September 2019 to an early 2020 opening. Since that time, there have been a number of developments related to work on the site, the most recent of which is the execution of the new Takeover and Completion Agreement between the City of London and Zurich Insurance on September 30, 2020.

Below is a list of steps that have been taken since the execution of this agreement:

- The new contractor, Perini Construction has begun the process of re-mobilizing and have taken over control of the site as of October 19, 2020.
- Perini has been negotiating contracts with the various sub-trades and started construction in early November. This includes considerable clean-up of the site (both interior and exterior) to be ready for the sub-trades to resume work.
- Civic Administration has met on site with Perini Construction bi-weekly to review the status of the project and to review the construction progress.

At the time of writing this report, Perini Construction was still in negotiations with sub-trades required to complete the project. Until Perini has negotiated all remaining key contracts on behalf of Zurich, they are unable to provide a definitive schedule for this project. It is important to note that while Civic Administration attends site meetings and is updated by Perini, the City is not a party to these agreements and/or negotiations.

Civic Administration is eager to provide a timeline to the community and to Council, however, providing a date with confidence and accuracy is not possible at this time. Civic Administration will continue to meet with Perini and work towards finalizing a timeline and opening date in 2021.

Once a date has been identified, we will share this information through a media release, social media, e-newsletter and the city website. Staff are aware that this is disappointing news for the community as residents are anxiously awaiting confirmation of a revised opening date. Once this date has been identified, Civic Administration will update the community on progress of the building and communicate opportunities for tours, drop in programming, and the grand opening.

## East Lions Park Update

As a separate project, the City is also upgrading the adjacent park. Work began in July 2020 and is proceeding on schedule. The new park includes:

- A full size soccer field
- One tennis court
- Two pickleball courts
- A multi-sport pad that permits skating
- A walking loop and several benches
- A naturalized storm water infiltration zone
- Many new trees

Work will continue in the Spring of 2021 with court fencing and lining, sodding and seeding, and other minor touch-ups. The majority of the park amenities should be available for public use by July 1, 2021, with the exception of the soccer field, as the new seed requires a full growing year to be ready for play.

### **2.2 Consultant Fees**

The construction administration portion of the consultant fees with MacLennan Jaunkalns Miller Architects Ltd. (MJMA) expired in August 2019, two months past the original project completion date of June 2019.

From September 2019 through to now the consultant has been providing their services in good faith with the understanding that their fees would be reconciled upon completion of the project in the Spring of 2020. It was anticipated that Civic Administration would bring forward a wrap up report upon completion to seek Council's approval to reconcile MJMA additional fees. Funding for the additional consultant fees were to come from liquidated damages fees withheld from the previous general contractor's monthly payment draws.

The consultant has continued to provide their services in good faith during the complex take over period from the previous general contract to Zurich Insurances' assigned general contractor Perini Construction.

In order to complete the project and to meet the obligations of the Takeover and Completion Agreement with Zurich Insurance, the consultant is required to continue to support the project until completion. The consultant is also to provide certification that the work was completed as per their design as required by the Ontario Building Code.

Civic Administration has negotiated the additional fees required to complete the project with MJMA as per the terms of the original contract. The total upset amount of \$426,230.00 excluding HST will cover their services from August 2019 through to completion.

Funding for the additional fees will be transferred from the surplus in the Bostwick Community Centre capital project (see Appendix "A"). Upon completion of the project, Civic Administration will seek to recover these expenses as contemplated in the Takeover and Completion Agreement with Zurich Insurance.

### **2.3 Holding Costs**

Costs for security, utilities, and grounds maintenance during the takeover period have amounted to just over \$102,700.00 excluding HST with the majority of costs assigned to 24/7 security coverage of the building and site.

Funding for the additional fees will be funded from existing approved Parks and Recreation operating accounts. Upon completion of the project, Civic Administration will seek to recover these expenses as contemplated in the Takeover and Completion Agreement with Zurich Insurance.

## **3.0 Financial Impact/Considerations**

There are no additional operating costs associated with the award of this contract.

## Conclusion

Civic Administration recognizes that local residents are feeling disheartened by the number of times the opening date has changed. Civic Administration is committed to this project and to working with Zurich and Perini to determine an opening date in 2021.

Once this date has been identified, Civic Administration will update the community on progress of the building and communicate opportunities for tours, drop in programming, and the grand opening.

**Prepared by:** Tim Wellhauser C.I.M. Division Manager, Facilities  
**Recommended by:** Cheryl Smith, Managing Director, Neighbourhood, Children and Fire Services  
**Recommended by:** Scott Stafford, Managing Director, Parks and Recreation  
**Recommended by:** Anna Lisa Barbon CPA, CGA Managing Director, Corporate Services, and City Treasurer, Chief Financial Officer

c: Paul D'Hollander, Manager, Neighbourhood Operations  
Lynn Loubert, Division Manager, Aquatics and Arenas  
Andrew MacPherson, Manager, Parks Planning and Design  
John Devito, Manager, Facilities, Design and Construction  
Danilo Popadic, Solicitor, Legal and Corporate Services

**APPENDIX "A"**

Chair and Members  
Community & Protective Services Committee

#20167  
December 15, 2020  
(Consulting Fee Increase)

**RE: East Lions Community Centre  
Increase in Consultant Fees (WO02358106)  
Capital Project RC2756 - East Multi-Purpose Rec Centre  
MacLennan Jaunkalns Miller Architects Ltd. - \$426,230.00 (excluding H.S.T.)**

**FINANCE & CORPORATE SERVICES REPORT ON THE SOURCES OF FINANCING:**

Finance & Corporate Services confirms that the cost of this project cannot be accommodated within the financing available for it in the Capital Works Budget but can be accommodated with a transfer of debenture financing and that, subject to the adoption of the recommendations of the Managing Director, Neighbourhood, Children and Fire Services and the Managing Director, Parks & Recreation and the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the detailed source of financing for this project is:

<b><u>ESTIMATED EXPENDITURES</u></b>	<b><u>Approved Budget</u></b>	<b><u>Additional Funding</u></b>	<b><u>Revised Budget</u></b>	<b><u>Committed To Date</u></b>	<b><u>This Submission</u></b>
Engineering	\$1,233,357	\$426,230	\$1,659,587	\$1,233,357	\$426,230
Construction	21,423,583		21,423,583	21,423,583	0
Furniture	195,000		195,000	195,000	
Other City Related Expenses	106,565		106,565	106,565	
<b>NET ESTIMATED EXPENDITURES</b>	<b>\$22,958,505</b>	<b>\$426,230</b>	<b>\$23,384,735</b>	<b>\$22,958,505</b>	<b>\$426,230</b>

**SOURCE OF FINANCING**

Debenture By-law W.-5598(a)-521	\$16,966,305		\$16,966,305	\$16,966,305	\$0
Additional Debenture Quota-tsf from 2) & 3) RC2755-Southwest Multi Purpose		315,030	315,030		315,030
Debenture By-law W.-5598(a)-521 (Serviced through City Services R.F. Parks & Rec)	5,992,200		5,992,200	5,992,200	0
Additional Debenture Quota-tsf from 2) & 3) RC2755-Southwest Multi Purpose Rec Centre (Serviced through City Services R.F. Parks & Rec)		111,200	111,200		111,200
<b>TOTAL FINANCING</b>	<b>\$22,958,505</b>	<b>\$426,230</b>	<b>\$23,384,735</b>	<b>\$22,958,505</b>	<b>\$426,230</b>

1) **Financial Note:**

Contract Price	\$1,515,430
Less: Amount previously approved	1,089,200
	\$426,230
Add: HST @13%	55,410
Total Contract Price Including	481,640
Less: HST Rebate (100%)	55,410
Net Contract Price	<b>\$426,230</b>

2) The additional funding requirement of \$426,230 is available as a transfer of debenture quota from RC2755 (Southwest Multi-Purpose Rec Centre); \$315,030 for the tax supported portion and \$111,200 for the non-tax supported debt serviced through the City Services Reserve Fund (Parks & Rec). The Bostwick Community Centre project (SW Multi-Purpose Rec Centre) is substantially complete with surplus funding and therefore available as a source of funding for the East Community Centre project.

3) **NOTE TO CITY CLERK**

The City Clerk be authorized to increase Debenture By-law No. W.-5598-521 as amended by By-law No. W.-5598(a)-137 by \$426,230 from \$22,958,505 to \$23,384,735.

  
 Kyle Murray  
 Director, Financial Planning & Business Support