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2008 BUDGET BRIEFING NOTE

Toryork Bays Extension

Issue/Background:

City Council on March 7, 2007 approved the 2007 Capital Budget for Fire Services and in so doing adopted recommendation #51 in Executive Committee Report EX5.1 which required the division to report to Budget Committee in 2007:

“... the Chief of Toronto Fire Services report back to Budget Committee prior to any commitments being made on the short and long term requirements at the Toryork maintenance facility and on results of the feasibility study including confirmation of project cost and cash flows.”

This briefing note is in response to that directive. In 2005, Fire Services identified the need to address deficiencies in its fleet maintenance facilities at 40 Toryork drive. The main issue was that the flow through of vehicles was impeded by the number of available mechanical service bays on the site. In good weather, some vehicles could be serviced in a limited way on the outside tarmac but this is not seen as a viable long term option. This situation led to the approval of the Capital project entitled Toryork Bays Extension which seeks to remedy the problem by adding an extension to the building with new service bays.

One of the main issues with the Toryork site is that it is located within the boundaries of a former city landfill with environmental issues that include the possibility of major and costly soil remediation before considering the project feasible.

The total project cost for the Toryork expansion is \$3.084 million. There was an initial provision of \$0.100 million in 2006 for the site survey and project costing, which was carried forward to 2007 with a further \$0.399 million provided for design. Having received the final consultant's report in July 2007, on the feasibility of completing the project within the estimates as approved, the division is now requesting that the project proceed to the construction phase in 2008. The request for proposal for the design of the facility will be issued in 2007 and is expected to be undertaken in early 2008, therefore, the \$0.399 million design funding is being carried forward one year.

Key Points:

A geo-technical survey was conducted at Toryork and it was determined that the building extension is feasible without undue site remediation. The building will be supported on steel piles. All contaminated materials resulting from trenching for services and placement of grade beam and removal of existing materials for the placement of compacted granular material for the concrete slab are included in the current project estimate.

The proposed design for the cost estimate is for a metal clad, flat roof building on a concrete slab at grade with at least 5 overhead doors for service bays.

The preliminary estimate at fair market value excluding GST provided by the Quantity Surveyors and Cost Consultants, A.W. Hooker Associates Ltd. was for \$2.030 million for the hard construction cost including Site Work and the New Structure.

The total cost of construction, including environmental remediation, and management fees as provided by the Design, Construction and Asset Preservation (DCAP) division, which is responsible for managing the project for Fire Services is as follows:

| Toryork Project Components | Cost Estimate |
|--|----------------------|
| Environmental Remediation | \$150,000 |
| Site Work | \$125,000 |
| Demolition & Renovation to existing structure | \$50,000 |
| New Structure (9000 sq ft) includes Pile Footings & venting system | \$1,755,000 |
| Vehicle Pad | \$30,000 |
| Design/Engineering | \$211,000 |
| Permits (Allowance) | \$100,000 |
| Contingency | \$242,000 |
| Management Fees | \$160,000 |
| Total Estimated Budget | \$2,823,000 |

The cost estimates exclude furnishings and some equipment (kitchen, office). It also excludes post contract allowances for changes after the project is tendered.

Conclusion:

It has been determined that the Toryork facility expansion is feasible at reasonable cost. While the direct cost as provided by the DCAP division is \$2.823 million, it has also been suggested by them that Fire Services should include contingency funding for design changes and requests for additional work, materials and equipment.

Fire Services advises that the \$3.084 million in previously approved project cost (debt funded) to expand the Toryork mechanical service and repair facility be re-confirmed and that the project is ready to proceed. The submitted funding in 2008 is within Fire's debt target. The cash flow request for 2008 is \$1.984 million, which includes \$0.399 million carried forward from 2007 for design work and other start-up costs. There is a further \$1.0 million requested as a final previously approved commitment in 2009.

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