



City of
Ville d'Ottawa

Chief Administrative Officer's
Report on
New City Hall Project
Special Council Meeting
15 February 1990

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CAO's Report
on New City Hall

Concordia's Report

Explanatory Material

Approved Budget and
Current Program

Rental Alternative

History of
New City Hall

1

Referral
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11

CITY OF OTTAWA/VILLE D'OTTAWA

From/De: Chief Administrative Officer Ref.: ASC1990/1501-046 P01229.8

Administrative Action
Exécution administrative

Date:
February 7, 1990

Ward/Quartier
City Wide

[1] City Council
Conseil municipal

SUBJECT/OBJET

1. New City Hall

Nouvel hotel de ville CMH 1990-01

RECOMMENDATIONS

1. That the report from Concordia Management Limited on the New City Hall budget and program be received.
2. That adequate long-term growth space be provided for in the design by adding a partial third floor plate to the North Office Block.
3. That the budget for the existing design be increased by \$5,783,800 from \$66,600,000 to \$72,383,800.
4. That a provision of \$2,000,000 for additional long-term space be added to the budget.
5. That City Council confirm its decision in principle to enter into a contract with Concordia Management Limited to provide limited project management services for the New City Hall project and that a contract be executed in a form agreeable to the City Solicitor.
6. That \$1,890,000 be added to the budget to cover the maximum upset fee payable for project management services.
- 7a) That City Council establish a City Hall Committee with full responsibility for all policy decisions related to the New City Hall project within the approved programme and budget.

- b) That the membership of the Committee be the Mayor, three Aldermen appointed by City Council, the Chief Administrative Officer, the Commissioner of Finance, the Commissioner of Planning and Development and the Commissioner of Housing and Property.

D. O'Brien

D. S. O'Brien
Chief Administrative Officer

POC/is

EXECUTIVE REPORT

On 15 November 1989, City Council approved the engagement of Concordia Management Limited to undertake a feasibility review of the budget and program requirements for the New City Hall project. At that time, City Council also approved in principle the hiring of Concordia to provide limited project management services for the project, subject to the approval of Policy, Priorities and Budgeting Committee and Council following the receipt of the feasibility review.

REASONS BEHIND RECOMMENDATIONS

Recommendation 1

Concordia has completed its review of the project. In preparing its report, Concordia did not dwell on the evolution of this project. It concentrated its efforts on giving an independent opinion on the status of the project under current circumstances. The study addressed five aspects of the project:

- an overview of the City's construction budget and programme;
- the current estimate of construction costs of items within the mandate of the design team;
- the current estimate of other cost items not within the mandate of the design team;
- the schedule for the design and construction of the project; and
- a review of the given programme and an assessment of the response of the Architects' design to the programme.

The major points from their report, which has been provided separately to members of Council, are as follows.

Budget and Costs

1. The City's existing project budget was first put together in the spring of 1988. Key factors affecting construction costs were a proposed programme of 390,375 gross square feet and a proposed tender date of August 1989. Both these original factors have changed. Program requirements are now some 25,769 square feet greater, and the tender date for the main construction contract is scheduled for November 1990. From this, Concordia concludes that a fair restatement of the \$57,388,500 construction budget would be \$63,057,440, taking into account the cost of the additional space and the impact of inflation.
2. Concordia prepared an independent estimate of the construction costs of the design prepared by our Architects. Given tight cost controls and adherence to the schedule, its estimate of the construction cost is \$63,650,000.
3. Concordia reviewed other cost items, not within the mandate of the design team, that they considered necessary for the completion of the project. Some of these items did not appear in the City's budget. The firm's total estimate for other cost items is \$10,562,000.

Schedule

4. The City has an option under its contract with the Architects to undertake construction through two tenders - one for excavation and shoring, another for the balance of the work. Concordia recommends exercising this option to prevent a further six-month delay.
5. Major milestones, based on the two tender approach, would be

Tender call, excavation work	11 May	1990
Complete excavation work	14 February	1991
Tender call, main general contract	1 November	1990
Complete construction of new building	30 November	1992
Complete renovation of existing building	30 December	1993

Overhead Charts

1

Concordia's Report

2

Explanatory Material

3

Approved Budget and
Current Program

Rental Alternative

History of
New City Hall

6. Concordia comments that the 1 November 1990 deadline for the tender call for the main general contract represents a formidable challenge for the design team to produce drawings and specifications for a proper lump sum contract award. To achieve this, an efficient and expeditious review and decision process between the City and the design team will need to be established. Delays would not only extend the schedule but would cause cost increases due to inflation effects and, perhaps, changes in market conditions.
- Programme 7. Concordia concludes that the Architects' design responds very well to the programme with respect to building areas and parking requirements.
8. Concordia recommends that the City should give serious consideration to including more long-term growth space in the project at this stage. The 10% specified in the original programme has been eroded by programme changes and by inadequacies in the initial specifications for building support space and circulation.

Recommendation 2

The original programme issued by the City called for the provision of 22,686 square feet (net) of long-term growth space. The design document directed the Architects to allocate half of this to Departments in preparing the detailed designs, to allow Departments some flexibility from the beginning. Thus, one would have expected to see a remaining long-term growth allowance of about 11,350 square feet in the final design.

The Architects' current design proposal shows 9,230 square feet, a fairly reasonable provision, given that the proposal accommodates about 3,100 square feet of additional space asked for by the City. However, the designers have not had the opportunity to respond to a further program requirement from the City to expand the space allocated to the Department of Engineering and Works by 4,465 square feet. This requirement arises from additional staffing in the Department, mainly in the Transportation and Licensing and Enforcement Branches. If the extra space needed is taken from long-term growth, it would leave a provision of only 4,765 square feet. Further, the Architects have since advised that the space along the promenade at park level designated for long-term growth will most likely be required for meeting space in order to comply with the meeting room configuration required by the City. This would reduce the unallocated space available for long-term growth to about 3,000 square feet.

Concordia, in its review, points out that there is considerable pressure on the 5% allocated to Departments for long-term growth. The present factor for internal circulation appears to be low at 23% of departmental areas. Moreover, the nature of the floor plate and cross-circulation requirements on each floor will make internal circulation requirements more critical. Concordia suggests that the space allocated to departments for long-term growth may end up being used for circulation in space planning.

It would be a mistake to build a building which is tight from day one. This is particularly so when any later attempt to add space would be difficult and prohibitively expensive. In terms of both economics and convenience, the time to incorporate adequate buffer space for long-term growth is while the building is being built. A number of options for adding additional space were explored by the Architects and Concordia (see Architects' letter dated 31 January 1990, Document I). Clearly the best option is to add a partial floor plate on the North Office Block. This would provide a net additional area of 18,115 square feet (21,957 square feet gross).

The Architects have provided some preliminary costs, as outlined in their letter. However, until the final design details are settled, a full budget, including construction costs, associated permits, fees, etc. cannot be finalized. The recommendation is to set a \$2,000,000 cap on this item.

It should be noted that there is nothing to prevent the City using this space as a revenue producer until there is a requirement to occupy it.

Recommendations 3, 4 and 6

The required budget increase is made up as follows.

	<u>Present Budget</u>	<u>Proposed</u>	<u>Increase</u>
Implementation and Administration	\$ 1,121,800	\$ 1,121,800	---
Construction Costs	57,388,500	61,000,000	3,611,500
Other Items (See page 9)	<u>8,089,700</u>	<u>10,262,000</u>	<u>2,172,300</u>
	66,600,000	72,383,800	5,783,800
Provision for Additional Long-term Growth	---	2,000,000	2,000,000
Project Management	<u>---</u>	<u>1,890,000</u>	<u>1,890,000</u>
	<u>\$66,600,000</u>	<u>\$76,273,800</u>	<u>\$9,673,800</u>

Document II gives a detailed budget comparison.

Construction Budget

Following discussions between Concordia and the Architects, it is the consensus of both that the construction budget for the existing design needs to be increased. Concordia, in its report, identifies two major contributing factors.

1. The existing budget was constructed in the spring of 1988 and assumed a tender date of August 1989. Since that time, there has been slippage in the project schedule for a number of reasons, and the major tender is now scheduled for November 1990. The construction budget has been forced to absorb the impact of this delay.
2. Program requirements have increased. The City's initial specification for building support facilities was 9,000 square feet. After proper evaluation, it became apparent that this was not nearly sufficient for the building, the requirement being 21,208 square feet. The Architects had no choice but to provide adequately for this. Further, as a result of experience gained from visits to other city halls, storage space has been expanded by 2,250 square feet. The Architects estimate the cost of the additional space to meet both these requirements at \$1 million.

The Architects also point out that additional site protection work is necessary. A report from soils engineers received in November 1989 recommended additional site works, sheet piling and water preventative measures, which the Architects estimate will cost an additional \$440,000.

Drawing together these various elements, the Architects have presented the requirement for an increased budget as follows.

Approved Construction Budget		\$57,388,000
Escalation Costs		
(August 1989 - November 1990)		3,228,100
Additional Requirements		
- Mechanical Room	\$900,000	
- Storage	100,000	
- Additional Site Protection	440,000	
		<u>1,440,000</u>
		<u>\$62,056,100</u>

The Architects have qualified this position on the basis of market indications. They feel confident that the project can be delivered for less if favourable current market indications persist. Their best estimate is that the project can be brought in for \$61,000,000, and this is the basis of the proposed estimate. The Architects' letter confirming this figure is attached as Document III.

From the beginning there has been a realization that the construction budget for this design has been tight. It is evident that the delays and additional requirements have added very significantly to the pressure on a fixed budget originally struck in early 1988. Nevertheless, it has to be pointed out that the Architects and their cost consultants confirmed the adequacy of the construction budget in June 1989 and this confirmation was based on a scheduled tender date of September 1990.

The question now is one of realism. Both Concordia and the project Architects concur that the approved construction budget of \$57,388,500 is no longer adequate to build this design. The recommendation addresses this advice and accepts the Architects estimate of \$61,000,000, an increase of \$3,611,500.

Long-term Growth

As indicated above in the discussion of Recommendation 2, increased requirements for Departmental space would reduce the long-term growth provision to an impractical 3,000 square feet. The proposal to add a partial third floor plate to the North Office Block has an estimated overall cost of about \$2,000,000; this would provide 18,115 square feet of shell space (no tenant fit up). At this stage, the estimate is as a lump sum provision. More detail is required to provide a breakdown between construction costs, permits, fees, etc.

Other Items

Concordia advises that its estimates for the cost of items outside the design team's mandate is \$10,562,000. This is \$2,472,000 greater than the amounts provided in the approved estimate.

A detailed comparison of Concordia's estimates and the existing budget provisions, together with brief explanations of the differences, follows on the next page.

Several of the items in this listing have not yet been addressed by the City in terms of detailed specifications. Concordia included amounts for these items based on their experience and judgement of what would be adequate and desirable in a properly functioning City Hall complex. On the same criterion, Concordia has included items not dealt with in the existing budget. Overall, Concordia's review, subject to the deletion of the \$300,000 item for Signs and Graphics, represents a necessary updating of the City's budget for these items by \$2,172,300.

Goods and Services Tax

Neither the original nor the proposed budget take account of the Goods and Services Tax. The detailed impact of this tax on the City Hall project and all other municipal capital projects is not yet known.

8 NEW CITY HALL - ANALYSIS OF OTHER ITEMS

Item	Approved Budget	Concordia Report	Budget Increase	Comments
1. Sewer and Redevelopment Charges	198,600	771,000	572,400	Due to an increase in the level of charges by City Council - May 1989.
2. Permits	365,100	400,000	34,900	Reflects increase in construction costs.
3. Testing Agency Charges	100,000	200,000	100,000	This was provided for in the original budget. Concordia's update of this is realistic.
4. Signs and Graphics	No provision	300,000	-	Architects advise that this item considered part of construction budget.
5. Other Consultants Fees	No provision	50,000	50,000	Original budget was part of Phase I - Implementation Process. Funds for Day Care, Snow/Wind and Traffic studies fully expended. Concordia's update is realistic.
6. Furniture/Fit Up Costs	1,461,000	1,461,000	-	Original furniture budget reduced from \$2,000,000 due to increase in Architect fees. Budget originally intended to cover various furnishings for public areas and equipment plus audio visual, security, translation and hearing impaired. Concordia's review establishes the validity of the original budget.
* Translation		200,000	200,000	
* Audio Visual		200,000	200,000	
* Security Systems		200,000	200,000	
* Hearing Impaired		50,000	50,000	
7. Communications (Telephones)	150,000	100,000	(50,000)	Concordia's estimate based on continuing with current Bell system equipment.
8. Moving	150,000	450,000	300,000	Estimate was made at time of original budget. Concordia's estimate based on unit cost breakdowns for useable and public spaces, as well as a premium to cover the double moves.
9. T.V. Facilities	No provision	50,000	50,000	Money proposed by Concordia will cover the provision of conduits.
10. Contingency	No provision	150,000	150,000	No contingency on the occupancy phase of the budget was provided initially. Concordia's estimate based on very generalized statements of requirements. Until detailed specifications are developed, a contingency of this order is prudent.
11. Temporary Parking	No provision	240,000	240,000	No provision was made for providing off-site parking in the budget. It was assumed that any temporary on-site parking would be part of the construction budget. At present, a strategy for temporary parking has not been developed. Until it is, the \$240,000 is a reasonable provision.
12. Traffic Signal	No provision	75,000	75,000	Traffic signs and road/curb engineering will be required on Sussex Drive. As no provision was made for this in the original budget, the \$75,000 recommended by Concordia is required.
13. Art Work	550,000	550,000	-	No change
14. Architects' Fees	5,115,000	5,115,000	-	
TOTALS	8,089,700	10,562,000	2,172,300	

Overhead Charts

1

Concordia's Report

2

Explanatory Material

3

Approved Budget and Current Program

Rental Alternative

History of

Recommendation 5

At its meeting on 15 November 1989, City Council approved the following recommendation in principle subject to confirmation after the feasibility study had been received from Concordia.

"That the City enter into the following contract with Concordia Management Company Limited

2. To provide limited management services for the New City Hall project to be executed in a form agreeable to the City Solicitor and approved by City Council; and, that the maximum upset fee for limited project management services to be paid to Concordia be fixed at \$1,850,000, which includes out-of-pocket expenses. Funding will be in accordance with the financial comment."

Should the New City Hall project continue, this confirmation should now be given. The rationale for hiring a project management firm and for the selection of Concordia has been presented in earlier reports.

Recommendation 7

The City needs a decision making vehicle that can act expeditiously on the many approvals and day-to-day decisions that need political and administrative input. The normal Standing Committee/Council structure will often be too slow and too formal and will result in expensive delays. Concordia, in its report, stresses the need for an efficient and expeditious working/review/decision process between the City and the design team; the proposed committee will meet that need.

For major decisions, such as tender awards or adjustments to the programme or project budget, the normal approval through the Policy, Priorities and Budgeting Committee and City Council would still apply.

The suggested membership would bring together the political and administrative skills and experience to ensure well informed decisions and enable quick and effective administrative action.

IMPACTS

Most aspects of this report are administrative. Recommendation 2, however, addresses adding a third floor to the North Office Block. No public consultation has been carried out on this matter. The original design submitted by the Architects included a third floor; this was subsequently removed as a cost saving measure. There was a full public consultation exercise carried out in relation to the original design, which remains relevant to the present proposal.

OPTIONS AND ANALYSIS OF OPTIONS

There are two options to increasing the budget as recommended.

Option 1 Wait until tenders are obtained; if the tenders exceed the approved budget, require the Architects to redesign the project within the approved budget, as provided for in the Architects' contract.

The Architects have commented that they believe the current design to be very efficient and cost effective, at \$94.72 per square foot. They indicate that reworking of the design has resulted in a lean building which cannot endure further cost reductions and maintain the programme and building quality that both the City and the design team demand.

Option 2 Abandon the project permanently.

The consequences of this action would be as follows:

- (a) Liability for costs incurred to date on the project. These costs would include payment for services provided by the Architects under their contract with the City.
- (b) The City would still be without a long-term accommodation scenario and would have to address the pressing question of the dilapidated state and continuing deterioration of the existing City Hall. Preliminary costings of an alternative long-term accommodation scenario based on refurbishing City Hall and renting for all other requirements indicate significantly greater costs over a 30-year term than continuing with the New City Hall project. Document IV sets out a summary of this preliminary costing. The full document has been provided separately to members of Council.

MURRAY & MURRAY ASSOCIATES MOSHE SAFDIE ASSOCIATES LTD.

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Overhead Charts

Concordia's Report

Explanatory Material

Approved Budget and
Current Program

Rental Alternative

History of
Municipal Board

FINANCIAL COMMENT

	<u>Gross</u>	<u>Debenture</u>	<u>RGC</u>	<u>Pending</u>
Current Council Approved Budget	\$66,600,000	\$63,700,000	\$600,000	\$2,300,000
This Request	<u>9,673,800</u>	<u>11,973,800</u>	<u>---</u>	<u>(2,300,000)</u>
Total	<u>\$76,273,800</u> =====	<u>\$75,673,800</u> =====	<u>\$600,000</u> =====	<u>---</u> =====

Subject to City Council approval, an application will be made to the Ontario Municipal Board for \$11,973,800.

G. R. Simpson
G. R. Simpson
Commissioner of Finance
SDH/DLI:is 07/02/90

DISPOSITION

LIST OF SUPPORTING DOCUMENTATION

- Document I - Letter from Murray, Murray & Safdie dated 31 January 1990
- Document II - Comparison of Existing and Proposed Budgets
- Document III - Letter from Murray, Murray & Safdie dated 30 January 1990
- Document IV - Long-term Accommodation - The Rental Option

**MURRAY & MURRAY ASSOCIATES
MOSHE SAFDIE ASSOCIATES LTD.**

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January 31, 1990

OTTAWA CITY HALL

Mr. Dave O'Brien
Chief Administrative Officer
City of Ottawa
111 Sussex Drive
Ottawa, Ontario

Dear Sir:

Re: New Ottawa City Hall Project

Further to discussions with Mr. Peter O'Callaghan and yourself, we are pleased to provide the following information:

- a) Further growth and expansion space requested by the City of Ottawa - cost implications.
- b) Consulting fees for professional services.

Please do not hesitate to contact the undersigned should you require any further information.

Yours truly,

T. V. Murray

T. V. Murray

TVM/ra
Enclosure

Overhead Charts

1

Concordia's Report

2

Explanatory Material

3

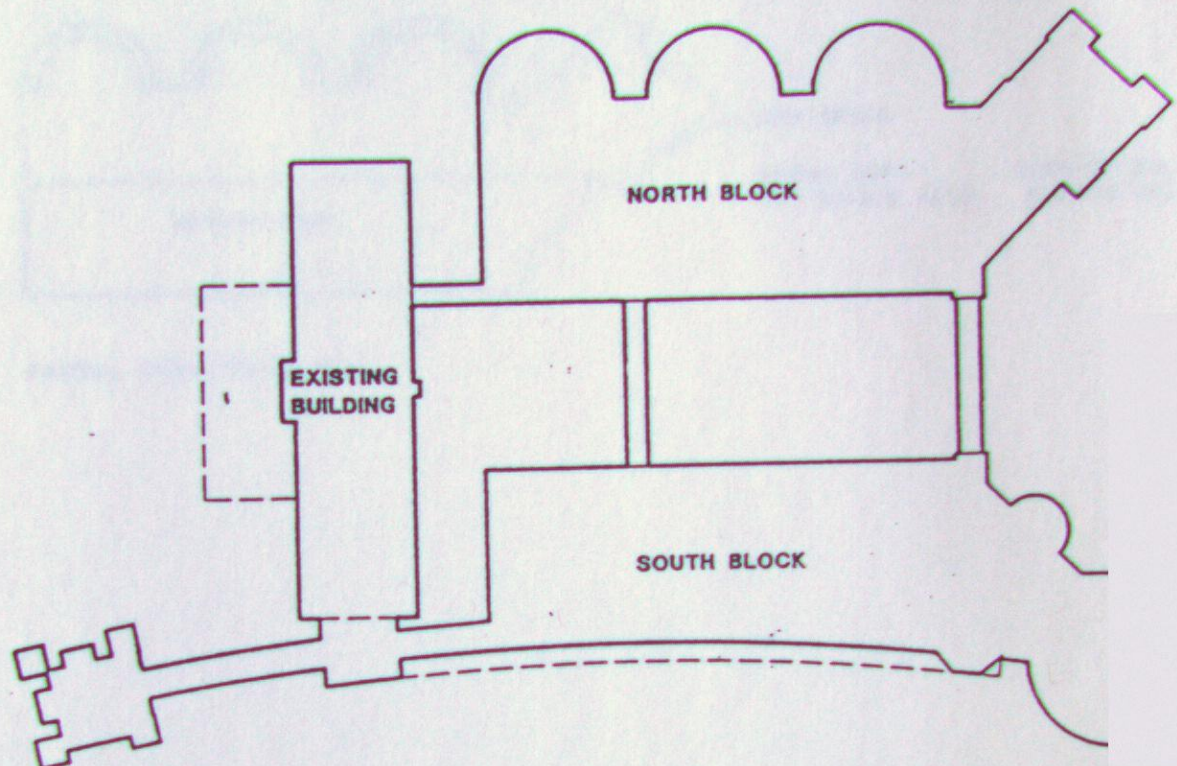
Approved Budget and
Current Program

Rental Alternative

History of
New City Hall

PAGE 1
JANUARY 31, 1990

OTTAWA CITY HALL



PAGE 2
JANUARY 31, 1990

Overhead Charts

1

Concordia's Report

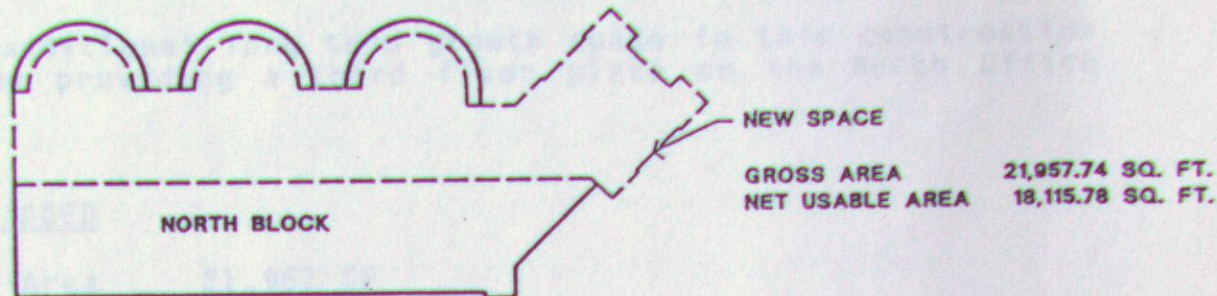
2

Explanatory Material

3

Approved Budget and
Current Program

Rental Alternative

History of
Rental Alternative

GROSS AREA	21,957.74 SQ. FT.
NET USABLE AREA	18,115.78 SQ. FT.

PARTIAL THIRD FLOOR PLAN

Page 3
January 31, 1990**PARTIAL THIRD FLOOR PLATE**

Construct additional long term growth space in this construction contract by providing a third floor plate on the North Office Block.

1. AREA ADDED

Gross Area	21,957 SF
Net Area	18,115 SF

2. CONSTRUCTION COST

To construct office space 21,957 SF X \$70/SF	\$1,536,990	See Note (1) and (5)
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Premium cost to upgrade Elevators	311,980	See Note (2)
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TOTAL COST JAN. '90	\$1,848,970	\$1,848,970
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Escalation: See Note (4) (Assuming 4.5% P.A. Escalation for 10 months)	69,336	
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TOTAL COST NOV. '90 See Note (3)		\$1,918,306
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NOTES:

- (1) This includes base building construction cost of architectural structural, mechanical and electrical items to construct shell space only.
- (2) The new floor will require traction elevators which are more expensive than hydraulic due to the additional height. Enlargement of the elevator shaft will also be required.
- (3) Following a complete F.S.I. calculation for the entire project, it is quite likely that parking spaces presently being planned for will exceed bylaw requirements. The City would be able to use this surplus to offset the requirements of the new office space, and achieve significant savings on this item. It would be prudent to carry an allowance of \$20,000 per parking space for 38 cars until the F.S.I. calculation can be confirmed.

Page 4
January 31, 1990
Notes (cont'd)

The present F.S.I. should be calculated as soon as possible, to determine the extent of the surplus parking the scheme presently enjoys. In addition, the City can elect to retain non-conforming rights it enjoys in the parking configuration of the existing garage.

It is strongly suggested that the City examine its option with regard to parking, in conjunction with the design team, so that the cost of this item can be finalized.

- (4) The impact of redesign work may have an effect on schedule of drawing production.

It should be noted that there will be an effect on the approval process (Site Plan Approval, Rideau Valley Conservation Authority, etc.) which may in turn affect the project schedule.

- (5) The budget implication of this additional space on presently designed service spaces, (ie. duct shafts, mechanical rooms, etc.), must also be addressed.

CONCLUSION

In the light of the foregoing, it is our opinion that the **partial third floor plate** solution combines the greatest advantages for the City's future accommodations, particularly with reference to site considerations involving future access to the work and the long term amenities of the island.

Page 5
January 31, 1990

FEES:

Fees for professional services to be carried out in conjunction with the work are as follows:

Fees on Additional Space Requested by City of Ottawa

Base Fee:

It is assumed fees will be paid in accordance with the contract between the City of Ottawa and MMA/MSA dated September 6, 1989.

Redesign Fee

Redesign of facilities already in sketch design and working drawings phases - per diem rates as per existing contract.

Particular reference is made to the following:

- (a) Re-sizing core capacities
- (b) Re-designing and recalculating ducts and pipes
- (c) Re-sizing elevators
- (d) Re-examining structural bearing etc.

Feasibility Studies

Feasibility studies carried out to examine various options for future expansion covering structural, mechanical and electrical and architectural items, together with related cost estimating for the partial third floor plate.

Per Diem rates in accordance with contract executed between City of Ottawa and Murray and Murray Associates and Moshe Safdie Associates Ltd., dated September 6, 1989.

Liability Insurance premium increases and all normal reimburseable expenses will be in addition to basic fees.

Overhead Charts

1

Concordia's Report

2

Explanatory Material

3

Approved Budget and
Current Program

Rental Alternative

History of
Murray and Murray Associates

CITY HALL BUDGET - EXISTING v PROPOSED

Document II

Summary

	Existing	Proposed	Difference	Designer's	Owner's
- IMPLEMENTATION PROCESS	575,000	575,000	0		
- ADMINISTRATIVE RESOURCE	546,800	546,800	0		
- DESIGN	5,115,000	5,115,000	0		
- CONSTRUCTION	58,602,200	62,971,000	4,368,800	3,611,500	757,300
- OCCUPANCY	1,761,000	2,861,000	1,100,000		1,100,000
- OTHER		315,000	315,000		315,000
	66,600,000	72,383,800	5,783,800	3,611,500	2,172,300
- PROJECT MANAGEMENT		1,890,000	1,890,000		1,890,000
	66,600,000	74,273,800	7,673,800	3,611,500	4,062,300
- PROVISION FOR LONG-TERM GROWTH		2,000,000	2,000,000		
	66,600,000	76,273,800	9,673,800		

Is for Increases

CONSTRUCTION					
Redevelopment Charges	198,600	771,000	572,400		572,400
Building Permits	365,100	400,000	34,900		34,900
Construction	57,388,500	61,000,000	3,611,500	3,611,500	0
Art Work	550,000	550,000	0		(100,000)
Contingency	100,000		(100,000)		200,000
Testing Agency Charges		200,000	200,000		50,000
Other Consultants' Fees		50,000	50,000		
	58,602,200	62,971,000	4,368,800	3,611,500	757,300
- OCCUPANCY					
Furnishings	1,461,000	1,461,000	0		0
Translation Facilities		200,000	200,000		200,000
Audio Visual Equipment		200,000	200,000		200,000
Security		200,000	200,000		200,000
Hearing Impaired		50,000	50,000		50,000
TV Facilities		50,000	50,000		50,000
Communications	150,000	100,000	(50,000)		(50,000)
Moves	150,000	450,000	300,000		300,000
Contingency (on above items)		150,000	150,000		150,000
	1,761,000	2,861,000	1,100,000		1,100,000
- OTHER					
Temporary Parking		240,000	240,000		240,000
Traffic Signs		75,000	75,000		75,000
		315,000	315,000		315,000

Overhead Charts

1

Concordia's Report

2

Explanatory Material

3

Approved Budget and Current Program

Rental Alternative

History of

MURRAY & MURRAY ASSOCIATES MOSHE SAFDIE ASSOCIATES LTD.

Document III

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30 January 1990

Mr. Dave O'Brien
Chief Administrative Officer
City of Ottawa
111 Sussex Drive
Ottawa, Ontario

Dear Sir:

Re: New Ottawa City Hall Project

In response to your letter dated January 12, 1990, we are pleased to provide you with the following detailed breakdown of the revised budget for the New Ottawa City Hall Project:

a)	Estimated budget (based on Aug. '89 tender call)	\$57,388,500
b)	Escalation costs (Calculated at 4.5% for 15 months)	\$3,228,103
c)	Mechanical rooms (unprogrammed space require- ments of 22,000 sq.ft. vs 9,000 sq.ft.)	900,000
d)	Additional storage space (requested by City)	100,000
e)	Additional site protection measures (as requested by Fondex)	440,000
	Revised Total	\$62,056,603

While we agree in general with the Concordia report, we feel it should be noted that although the above represents the estimated budget, we feel very confident that the project can be built for less, given the economic forecasts for the construction industry. In spite of the changes in scope, we are optimistic that the project could be completed for the original budget, incorporating escalation costs, for a total of \$61,000,000. As budgeting goes, however, we feel it is prudent to carry the Concordia estimate.

Mr. Dave O'Brien
30 January 1990
Page 2

Over the past months, there has been much discussion between City staff and our firm regarding the quality of the finishes to be used in the New City Hall. We would like to reassure you that in every instance the quality of the finishes will meet or exceed the finishes used in all of the recently completed City Halls in the Ottawa-Carleton area. We believe that at a cost of \$94.72 per sq.ft. the citizens of Ottawa are receiving a very efficient and cost effective building which will reflect the national significance of the site, while at the same time controlling costs.

In response to your request for design changes, we feel strongly that the reworking of the design has resulted in a lean building which cannot endure further cost reduction while maintaining the program and building quality that both the City and the Design team demand.

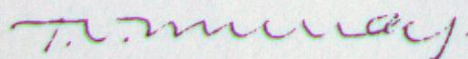
Site Plan Control application will be made to the City shortly.

The following documents have been furnished to the City under separate cover:

- a) architectural drawings
- b) structural drawings
- c) mechanical drawings

With the provision of the foregoing, we trust the first 25% of our mandate will be complete and we look forward to concluding the contract documentation for tender call in 1990.

Yours truly,



T. V. Murray

TVM/ra

Overhead Charts

1

Concordia's Report

2

Explanatory Material

3

Approved Budget and
Current Program

4

Rental Alternative

History of
New City Hall

LONG-TERM ACCOMMODATION THE RENTAL OPTION

1. Introduction

If City Council were not to continue with the New City Hall Project, it would still be faced with having to develop a long-term accommodation scenario for the City's administration. On the following page is a very preliminary, broad-brush quantification of the costs of alternative accommodation over the next 30 years and a comparison of these with the costs of the New City Hall.

2. Assumptions

A number of basic assumptions were made about alternative accommodation.

1. The existing City Hall would be completely renovated to provide a 30-year life.
2. The existing City Hall would have the public and ceremonial functions for the City - Council Chambers, meeting rooms, reception areas, etc.
3. Accommodation standards for staff would be those approved by City Council in developing the New City Hall design specification.

3. Accommodation Scenarios

With only a renovated City Hall on Green Island, most of the City's administration would have to be accommodated elsewhere. The cost for the City to rent the space it needs is considered on the following page.

4. Comparative Costs of Alternative Scenarios

The table below shows, in net present value terms, the estimated costs of the rental option and compares this with the costs of continuing with the New City Hall Project.

COMPARATIVE COSTS - LONG-TERM ACCOMMODATION SCENARIOS

All costs are expressed as Net Present Values on 1 January 1990

	<u>New City Hall</u>	<u>Rental*</u>
Capital		
. New City Hall	74,212,800**	
. Renovation - Existing City Hall		21,000,000
Operating		
. Existing Leases		
. Offices	8,539,789	4,549,740
. Parking	294,988	142,873
. Additional Long-term Rentals		
. Office		87,631,255
. Parking		2,762,663
. Temporary Rental		
. Office		10,336,002
. Parking		585,055
. Landlord's Costs for Owned Buildings		
. New City Hall	30,857,769	
. Renovated City Hall		10,059,633
	<hr/>	<hr/>
	\$113,905,346	\$137,067,220
	=====	=====

* Does not include provision for Day Care, Fitness Centre and Banking.

** Total proposed budget, \$76,273,800, less \$2,061,000 for furniture and equipment which was excluded from both options.

NEW CITY HALL

The Architects for the new City Hall feel an obligation to the citizens of Ottawa and to Ottawa City Council to clarify several issues which have caused concern with the new City Hall project.

The original space requirement for the new City Hall was 390,375 square feet. The current design provides 408,687 square feet. Reports that the City Hall was reduced in area by removal of the third floor are without foundation. The building was reconfigured during the schematic design phase to a more efficient arrangement eliminating the need for a third floor. The design currently submitted continues to maintain areas in excess of the City's program requirements.

We are pleased that the cost estimate developed independently by Concordia Management Ltd. endorses the estimate prepared by the design team cost consultants.

Three items have influenced the cost since the last budget was prepared:

1. Additional space required by the City.
2. Additional foundation work required.
3. Escalation due to accommodating a realistic schedule.

We believe the design provides a quality working environment and a high standard of finish which compares favourably with other recently completed city halls while costing less per square foot. For example:

CONSTRUCTION COST COMPARISON

Project	Nov 1990 Cost/SF *
** Ottawa City Hall	\$ 92.67
** RMOC Headquarters	\$ 103.13
Mississauga City Hall	\$ 98.42
Kitchener City Hall	\$ 105.95
Richmond Hill City Hall	\$ 102.96

* All figures escalated to November 1990 @ 4.5% annual inflation.

** Includes Heritage Work.

Over a period of sixteen months, enormous effort has been expended by City officials and the design team to develop a project which would be a major contribution to the citizens of Ottawa. We trust that the quality of the project and its competitive cost will lead Council to approve the project.

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City of Ottawa Response to Request of a Council Member
Ville d'Ottawa - Réponse à une demande d'un membre du Conseil

FROM/EXP.: DATE: FILE/DOSSIER:

Alderman Jamie Fisher November 30, 1989

[x] Verbal Inquiry/Demande de renseignements [] Sugg./Prop.

[] Motion/Motion [] Other/Autre

TO/DEST.: Director New City Hall Project

SUBJECT New City Hall Project - History of Project

REQUEST

A complete history of the New City Hall Project was requested.

RESPONSE

DATE OF RESPONSE: December 5, 1989
FILE NO: EW-1485-1

1. December 21, 1983: City Council approved the appointment of Price Waterhouse to carry out a study "Corporate Strategic Plan - Task Re: Civic Administration's Accommodation and Information and Communications Systems", termed the "Accommodation and Infocom" study.
2. February 10, 1985: City Council approved the final report by Price Waterhouse. The "Accommodation" portion of the report contained a review of space, built up from individual "work station" needs for each position in the Corporation, including circulation, common areas, future needs, etc., and recommended consolidation of the City's administration in a building containing 386,500 gross square feet with six hundred parking spaces.

RESPONSE

DATE OF RESPONSE: December 5, 1989
FILE NO: EW-1485-1

3. June 19, 1985: Council approved a motion (no background report) to accommodate the City's space requirements on Green Island. Prior to this date, the United States had expressed interest in acquiring Green Island for an Embassy site.
4. October 16, 1985: A report on the "Process for Choosing an Architect" was approved by Council. This report was replaced on August 5, 1987 (see 9. below)
5. March 5, 1986: City Council expressed its wish to co-locate with the Region in its new headquarters, therefore the project was on hold.
6. April 16, 1987: A presentation was made to members of Council at a special day session, outlining the project's background, and decisions to be considered.
7. June 17, 1987: A report to Council recommended re-affirmation of former Council's intention to locate the City's administration on Green Island, and contained an examination of various other sites and construction costs.
8. July 9th: P.P. & B. directed staff to provide information regarding options on alternative sites with quoted costs on office space, related parking; alternative parking capacity near Green Island; and savings from vacating the island during construction.
9. August 5, 1987: A report to Council pulled together June 17th and July 9th approvals, directives and responses, and recommended a process for selecting an architect. (Appendix 1)
10. October 3, 1987: Newspaper advertisements called for Expressions of Interest from architectural firms across Canada.
11. October 8, 1987: A report was submitted to to P.P. & B.- Review of the Design Brief.

RESPONSE

DATE OF RESPONSE: December 5, 1989
FILE NO: EW-1485-1

12. November 16, 1987: Deadline for receipt of expressions of interest from architectural firms. Twenty-nine submissions were received on time.
13. November 19, 1987: A report was submitted to P.P. & B for approval of the evaluation criteria for selection of the Architect.
14. January 7, 1988: A report was submitted to P.P. & B. re: Design Brief and Decisions required.
15. January 20, 1988: A report was submitted to Council for approval of the shortlisting process for the Expressions of Interest.
16. February 22-25, 1988: Short-listed Architects were interviewed in Ottawa.
17. March 21-15, 1988: Short-listed Architects were interviewed in their home offices.
18. May 4, 1988: A report to Council recommended Finalists for the Limited Design Competition.
19. May 5, 1988: An In-Camera Report to P.P. & B. discussed membership of the Evaluation Committee.
20. May 18, 1988: A four-part report was submitted to Council:
1. Accommodation; 2. Budget; 3. Detailed Decisions;
4. Competition Process. (Appendix 2)
21. June 6, 1988: Competing Architects were briefed and the design document was issued. A public meeting was held on June 7th to give the public and members of Council an opportunity to express their thoughts to the competitors on a New City Hall design.

RESPONSE

DATE OF RESPONSE: December 5, 1989
FILE NO: EW-1485-1

22. August 3, 1988: City Council approved the budget (revised from May 18, 1988 budget as a result of the decision not to include Housing & Property in the New City Hall). (Appendix 3)
23. August 15, 1988: Competition entries were received.
24. August 16 - September 1, 1988: A review of the competition entries was conducted by the Technical Advisory Committee.
25. September 7 - 9, 1988: Competition Jury reviewed the entries and chose the winning design by secret ballot.
26. September 24 to October 16, 1988: Public exhibition of design submission in Foyer at City Hall.
27. September 29, 1988: P.P. & B. approved the Jury's selection.
28. October 5, 1988: Council approved P.P. & B. recommendation for winning design, along with list of conditions. (Appendix 4)
29. December 22, 1988: A Report was submitted to P.P. & B. regarding contract negotiations.
30. January 4, 1989: City Council approved the Architect's responses to each of Council's qualifications, but referred the contract back to P.P. & B. (Appendix 5)
31. January 12, 1989: P.P. & B. recommended that the architects be advised that the City is not prepared to consider any revisions to the agreement for services.
32. January 18, 1989: City Council approved a motion to have the Commissioner of Engineering & Works report back on further negotiations with the Architect.

RESPONSE

DATE OF RESPONSE: December 5, 1989
FILE NO: EW-1485-1

33. February 1, 1989: City Council approved Architect's fee increase. (Appendix 6)
34. March 10, 1989: P.P. & B. directed the C.A.O. to prepare a report on organization and control for the New City Hall project.
35. April 7 to 11, 1989: Exhibition of proposed revisions to schematic design in Foyer at City Hall.
36. April 12, 1989: Public Meeting on proposed revisions to schematic design.
37. May 3, 1989: Schematic Design report withdrawn at Council due to error in Architect's cost estimates.
38. May 31, 1989: An information report was submitted to P.P. & B. and Council relating to a study conducted by Totten Sims Hubicki Assoc. on management of the New City Hall Project.
39. June 6, 1989: An in-camera information report responded to P.P. & B. directive that staff explore possible impact on the contract with the Architect should a project management firm be engaged.
40. June 7, 1989: City Council approved endorsing the provision of Limited Project Management Services.
41. June 7, 1989: City Council approved the Schematic Design report. A chronology of events was also submitted for information. (Appendix 7)
42. June 8, 1989: P.P. & B approved a series of directives with regard to terms of reference and proposal call for Limited Project Management Services.

D.P. [unclear]
Director New City Hall Project
Department of Engineering & Works

Attest:
[unclear]
Chief Administrative Officer

RESPONSE

DATE OF RESPONSE: December 5, 1989
FILE NO: EW-1485-1

43. July 5, 1989: An information report on Limited Project Management Services was submitted to P.P. & B. which included the Request for Proposal document, a timetable for the selection process and membership of the Selection Committee.
44. July 26, 1989: Proposals for Limited Project Management Services were received.
45. August 8, 1989: Interviews were held for Limited Project Management Services.
46. August 11, 1989: Offers of service and price proposals received for Limited Project Management Services.
47. September 6, 1989: City Council approved changes to the contract between the City and the Architect. (Appendix 8)
48. September 12, 1989: The contract between the City and the Architect was executed.
49. October 12, 1989: P.P. & B. approved recommendations to enter into negotiations with Concordia regarding Limited Project Management.
50. November 15, 1989: City Council approved the appointment of Concordia to undertake a review of the accommodation and budget.



D.M. Underhill
Director New City Hall Project
Department of Engineering & Works

Attchs.

cc: Commissioner of Engineering & Works
Chief Administrative officer

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