

Costs set to rise as Leisure Complex renovations face setback

By Brock Weir

Members of the Club Aurora Fitness Centre were set to move into their new digs at the Aurora Family Leisure Complex (AFLC) last Friday, but further setbacks have pushed this back until February 28 as costs for the renovations rise.

Nearly \$600,000 will be needed to complete the scheduled work on the AFLC, Council learned last week, well beyond the project's scheduled completion date of October 2014. The increase of \$593,113 brings the previously approved budget of just over \$6 million, which was to cover a 9,300 square foot addition to the complex, as well as renovations to the remaining 18,400 square foot structure, to \$7,592,464.

While a report before Councillors last week from Ilmar Simanovskis, Director of Infrastructure for the Town of Aurora, says many of these cost overruns can be covered from Development Charges at minimal impact to the taxpayer, the bulk of the difference can be attributed to site conditions that were unseen until construction workers were able to get into the guts of the building.

Due to the short design phase and initial cost constraints on this project, design proceeded based on limited field verification (visible aspects) and reference to original as-built drawings, said Mr. Simanovskis in his report. An additional step that could have been taken would have been to undertake a complete building condition assessment, which may provide additional design information, although again only limited to those components that are readily accessible.

Based on the value and type of changes required during the construction phase, the approach taken by the design team was appropriate as the value of additional changes is not excessive and is generally related to the work that would have been required regardless and is offset by savings in preliminary investigation fees that were not required.

Among the specifics found further into the construction phase were 17 individual change orders for structural metal and concrete, electrical infrastructure, and mould found in existing ducts.

Should Council not approve the increased budget this week, following Committee's recommendations, construction work on the AFLC will come to a halt and many Council members expressed frustration at finding themselves over a barrel.

I really have some big issues with an increased budget of \$600,000 to a project that hasn't been on time and hasn't been on budget, said Councillor Tom Mrakas, questioning whether the municipality has a penalty clause in its contract with the builders. This was supposed to be done in October and here we are in January and we have notice it is not going to be completed for a little bit longer.

Although Mr. Simanovskis confirmed that penalty clause is not there, he added Aurora has been pressuring the contractor to the best of our abilities and with the authorities we have to ensure a speedy completion. Councillor Mrakas nevertheless said a penalty clause should be a future practice as a Council to ensure projects like these come in on time and on budget.

I am upset this is in front of us and we're unable to make a decision because we only have one decision to make, which is basically we have to go forward, even if we don't approve the money that is being added onto it, he continued.

A similar view was offered by Councillor Jeff Thom, who said members of the public are fed up with how this has progressed.

I think most of the general public has a lot of frustration when they see these types of things because it seems as if we have no other recourse than to grant the funds because construction would halt and we would be in a mess, he said. That still doesn't comfort that frustration by residents and myself. I think as long as we recognize that, we can correct these kinds of things moving forward. I think the public would be interested in us expressing those views in the future.

Building on this, Councillor Michael Thompson said when this construction was approved in November 2013, it was heralded with

?great optimism?, along with the opportunity for expanded services. This is a message he said he hopes will continue, but in communicating with residents, he said he needs the rationale behind the increased expenses.

?Whenever you are retrofitting an existing building, I think there are going to be some unforeseen costs and that is why we had a contingency of 10 per cent,? said Councillor Thompson. ?We anticipated that would take care of things because, in my opinion, that contingency was for unforeseen things. Previously, Mr. Simanovskis indicated there were some things they had in the back of their mind for this contingency but now new things have cropped up and it looks like we would have needed a contingency of 20 or 25 per cent of the base budget to take care of [that].

?We need to provide some context about whether we placed the contingency at too little and we underestimated it, or that really these were unforeseen at the beginning of this process that caught us by surprise. We have an obligation to the public to better explain why this project has had so many additional costs associated with it and what that impact is. There is an onus for more information to come back on these costs overruns, on these additional requests, to be able to explain the process.?

Additional fees were also handed to the Town, including increased costs in administration on the end of the contractor, to cover additional time it will take to complete the project. Additional items in the bill are being questioned by Mr. Simanovskis for their ?legitimacy?, whether they were caused by issues with the design or the contractor just not having enough resources at their disposal.

?It is their responsibility to resource the projects sufficiently and make it come in on time,? concluded Mr. Simanovskis. ?My position right now is the claims are not legitimate. We have to go through an assessment of what it is they are actually asking for. Just to be fulsome on the request for funding, there is a risk out there [there] may be some legitimacy. There may be a threat of a suit if the claims are not considered fairly. There is some risk.?