



Date

Monday, May 11, 2020

From

Darcy Chapman, Treasurer / Director of Corporate Services

Subject**Project Update - New Meaford Public Library****Report No.** COR2020-24**Roll No.** N/a

Recommendation

That Committee of the Whole recommend Council of the Municipality of Meaford direct staff to complete furniture purchases under the Ontario Education Collaborative Marketplace (OECM) contract with an upset limit not to exceed \$247,500.

Background

Library Facility

On July 22, 2019 Council approved the following motion:

That Council of the Municipality of Meaford:

1. Award Tender FIM-PFS-2019-05 – Meaford Public Library to Van Horne Construction Limited for \$4,372,857.18, including the Municipality's non-refundable allocation of HST;
2. Authorize the Treasurer / Director of Financial Services and Infrastructure Management to transfer an additional \$266,800 from the Parkland Dedication Reserve to fund the costs for the construction component of the construction of the Meaford Public Library parkette; and
3. Authorize the Mayor and Clerk to enter into the necessary agreement.

The construction contract included all requirements for building envelope retrofits, interior renovations and site works including landscaping, parking and the parkette. The total tender price included the following components:

Demolition/Construction	\$ 3,890,607
Landscaping/Parkette	\$ 399,100
FFE – Reception Desk	\$ 28,100
FFE – RFID System	\$ 55,050
TOTAL	\$ 4,372,857

Furniture Fixtures & Equipment (FFE)

A separate component of the project includes \$365,000 for all new FFE required in the facility. The FFE budget was established with the following sub components in mind:

Reception Desk	\$ 28,100
RFID System	\$ 55,050
Common Areas Furniture	\$ 100,000
Bookcases, Displays, etc.	\$ 112,500
Office Furniture*	\$ 35,000
Miscellaneous & Contingencies**	\$ 34,350
TOTAL	\$ 365,000

*Within the office furniture line item the budget will be used to outfit the following areas:

- Back staff office/book processing (4 workstations plus large islands/tables)
- CEO office
- Three bookable meeting rooms
- Staff lunch room furniture

**Within the Miscellaneous & Contingencies line item the budget will include all items relating to:

- wayfinding/signage
- technology such as smart TV's and mounts, additional copiers, additional computers
- contingency for unknown shelving/furniture needs

Analysis

Library Facility

A high level overview of the construction project timeline has been provided as Appendix 1. Construction was progressing well however with the pandemic hitting and all construction shut down the projected completion date will be delayed by an expected four to six weeks. It is anticipated that

furniture and shelving will be installed shortly thereafter. Transition of books, materials, supplies and technology will occur late August and early September. During July and August completion of the exterior landscaping and parkette will be completed. Staff expect that a brief two to three week “soft opening” will happen through September with an official grand opening around the 1st of October.

Poor Soil Conditions

Project delays have occurred from the original timeframe due mostly to unknown soil conditions. Specifically, during interior slab demolition, site conditions were found to be less than acceptable relating to the backfill that was present. As can be seen from the photos below, remnants from the former Paul’s hotel were found including substantial amounts of brick and boulder materials along with the former concrete steps leading to the main entrance of the hotel.





The poor backfill material and building debris resulted in added slab removal, added excavation of poor soils and substantially more engineered backfill being required.

The building design intended for 32 helical screw piles being placed at various locations thought the building to ensure the foundation is properly supported given the overall poor soil. During design the municipality engaged a geotechnical engineer to complete borehole testing on the site. The consultant completed two test pits and two bore holes outside and five boreholes inside the building and concluded that the depth required to reach comparable soil was +/- 30 feet. During actual placement of the screw piles the shallowest terminated at just over 30 feet with most between 55 to 70 feet and the deepest at 89 feet.

The interior slab issues and the screw piling depths unavoidably caused delays in timing of which the contractor has tried to make up during other phases of construction.

Replacement of Existing Roof

During the initial tendering process, one of the provisional prices requested was for a full roof replacement, which was bid at \$150,000 plus taxes. Given the fact that the project was substantially over budget at the time of contract award, and required the addition of an internal project contingency fund, the roof was not included in the final pricing. With the number of openings required in the existing membrane to accommodate all

of the new vents, HVAC systems and drains, LGA and staff were concerned about the longevity of patching the existing roofing system. More importantly, the current roof system was only constructed to meet code for a commercial use, including the harvesting of excess heat from its existing refrigeration system to heat the facility, and therefore has only two (2") inches of insulation (R-10). Although the project could move forward with the existing two inch roof because it is a renovation versus a new construction, the heat loss and energy consumption with this low R-value would be substantial. With some flexibility in the existing contingency budget, the Project Steering Committee decided to proceed with accepting a change order to install a new roof system complete with 6" of insulation or over triple the R-value to R-35 at a cost of \$146,950 including taxes. The roof will have up to a 35 year lifespan with proper maintenance and lifecycle renewal and will ensure lower annual heating and cooling costs. Based on the current availability of funds and the forecasted reduction in annual operating expenses, the cost to complete the work at this time will provide the Municipality with a greater return on investment in comparison to scheduling the roof replacement within the seven (7) year period between now and the next scheduled roof rehabilitation.

FFE Selection

Meaford is a group member of the Ontario Education Collaborative Marketplace (OECM) which provides access to seven major furniture suppliers in Ontario. As part of the consulting contract, LGA is tasked with developing furniture specifications and sourcing out suppliers. Between December 2019 and February 2020, LGA worked through the OECM product offerings to develop a shortlist of options available that would work well in the library. On February 12, 2020, Library staff, along with Steering Committee (Darcy Chapman, Bradey Carbert, Cathie Lee), reviewed initial options with LGA. Subsequently the Library Project Advisory Committee along with members of the Library Board and Fundraising Committee reviewed the final proposed furniture selections on February 26, 2020 to ensure the furniture would meet the needs of library staff and the desires of library patrons.

LGA has completed their due diligence to ensure quality and delivery dates are met and determined final furniture sections with the various vendors. Given the overall cost is within budget and no one vendor is awarded \$150,000 or more all contracts will be finalized under delegated authority to expedite the purchase order requisitions and ensure delivery in August.

Financial Impact

FFE Selection

The existing FFE budget includes the following expenses that will be sourced through the OECM partners:

Common Areas Furniture	\$ 90,000
Bookcases, Displays, etc.	\$ 112,500
Office Furniture	\$ 45,000
TOTAL	\$ 247,500

Consulting Fee Increase

Within the Design/Contract Services budget of \$500,350 there is a contingency allowance of \$44,700. Approximately \$16,700 was used for additional geotechnical testing prior to construction in an effort to better understand soil conditions and reduce design requirements relating to seismic classification (see FIM2019-05 for more information on this issue). The remaining consulting contingency is \$28,000.

Poor Soils

Based on the poor soil conditions as highlighted above, additional consulting costs were incurred for site supervision, design and engineering at a cost of \$16,269.

Overall Construction Contract

Based on the standard Architectural contracts entered into with LGA, clauses exist which provide added fees to the consultant in the event costs exceed original budgets. Based on these provisions, LGA is entitled to a fee increase of \$60,459.

Project Contingency Allowance

Within the overall budget the project contains a \$430,000 contingency to deal with all unknown issues. To date the following costs have been incurred that are allocated toward this amount:

Helical Screw Pile additional depths	\$ 79,554
Interior slab soil conditions	\$ 14,499
Exterior Light bollard change order	\$ 587
Concrete block wall repairs	\$ 4,466
Building Permit	\$ 14,000
Shortfall in consulting contingency	\$ 48,728

New Roof with increased insulation	\$ 146,950
TOTAL	\$ 308,784

Based on costs incurred to date and the known change orders a revised total cost estimate is reflected below:

	Budget	Forecast	Difference
Facility Purchase	\$1,525,000	\$1,525,000	\$ -
Design/Contract Services	\$ 500,350	\$ 549,100	\$ (48,750)
Construction			
Construction - Building	\$3,890,607	\$3,890,607	\$ -
Construction - Parkette	\$ 399,100	\$ 399,100	\$ -
Project Contingency	\$ 430,000	\$ 381,250	\$ 48,750
Furniture, Fixtures & Equipment	\$ 365,000	\$ 365,000	\$ -
TOTAL EXPENSES	\$7,111,450	\$7,111,450	\$0

The charts below illustrates the funding sources for the project:

BUILDING		
Building Expenses		\$6,347,350
Revenues		
2017, 2018 & 2019 Tax Levies	\$ 288,500	
2020 Tax Levy	\$ 175,000	
2016/2017 Operating Surplus	\$ 308,243	
2018 Operating Surplus	\$ 257,000	
2019 Operating Surplus	\$ 118,000	
Existing Library Reserve Funds	\$ 35,000	
Development Charges	\$ 968,300	
Sale of 390 Sykes Street	\$ 965,316	
Community Fundraising	\$ 690,000	
Government Funding	\$ 366,064	
Long Term Debt	\$2,175,927	
TOTAL		\$6,347,350

PARKETTE		
Construction - Parkette		\$ 399,100
Revenues		
Parkland Dedication Reserve		\$ 399,100

FURNITURE, FIXTURES & EQUIPMENT		
FFE Expenses		\$ 365,000
Revenues		
2017, 2018 & 2019 Tax Levies	\$ 36,500	
Development Charges	\$ 328,500	
TOTAL		\$ 365,000

Additional Costs Outside of the Project

Council should also be aware that there are additional costs related to the project but not part of the capital budget. These costs will need to be funded using existing budgets or included in the overall project debt if there is not sufficient contingency funds remain at the time of project finalization.

Fundraising Committee costs	\$ 16,300
Moving costs (not yet incurred)	\$ 18,000
Donor Recognition Wall (estimate)	\$ 10,000
Window coverings (estimate)	\$ 35,000
TOTAL	\$ 79,300

Implications

Both Council and staff recognize the current limitations of the existing Library Facility with regards to its service delivery abilities and accessibility and are striving to find a solution that fits within the Municipality's Strategic Plan and financial limitations.

Strategic Priorities

This report supports the mission, vision and values of the Municipality of Meaford, as well as the goals and objectives set out in Council's Strategic Priorities, particularly with respect to:

- Investing in Infrastructure
- Ensuring Sustainability
- Growing our Economy
- Leading Municipal Government
- Strengthening our Community

Consultation and Communications

The Project Steering Committee, Project Advisory Committee, Library staff, Meaford Public Library Board members and the Fundraising Committee have all been engaged in the process and advised of progress to date.

Conclusion

Council has now been updated on the financial status of this project. Furthermore, Council has been provided information on the future timeline for this project to reach completion.

Supporting Documentation

Appendix 1 – Estimated Construction Project Timeline

Respectfully Submitted:

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