



COMMUNITY SERVICES DIVISION

Burlington Public Library/Parks & Recreation

TO: Chair and Members of the Community and Corporate Services Committee
SUBJECT: CENTRAL LIBRARY EXPANSION/RENEWAL PROJECT UPDATE

Report Number: PR-44/03 Report Date: July 25, 2003
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Ward(s) Affected: All File Number(s): 925-16

APPROVALS: City Librarian Department Head General Manager City Manager

Committee Disposition & Comments
Council Disposition & Comments
01- Approved 02 - Not Approved 03 - As Amended 04 - Referred 05 - Deferred 06 - Received & Filed 07 - Withdrawn

1.0 RECOMMENDATION:

THAT the tender for the Central Library Expansion/Renewal Project be awarded to Struct-Con Construction Ltd., 2051 Williams Pkwy. E., Unit 14, Brampton ON L6S 5T3, at the tender price of \$9,113,155.60 (incl. GST), as approved by the Library Board at their meeting of July 23, 2003; and

THAT all contract agreements be subject to the satisfaction of the City Solicitor; and

THAT the Chair of the Burlington Public Library Board and City Librarian be authorized to sign the contract and related documents; and

THAT the Burlington Public Library Board be authorized to notify Struct-Con Construction Ltd. of the award of the contract by letter; and

THAT the revised total project cost for the Central Library Expansion/Renewal Project be approved in the amount of \$13,197,024 to be charged to Capital Order LI0017 and financing be provided as follows:

Special Circumstances Debt	\$8,693,000
Capital From Current (2001 Budget)	\$25,000
Fundraising	\$800,000
Library Development Charges Reserve Fund	\$3,460,000
Grant (CBIP)	\$40,000
Capital Purposes Reserve Fund	\$179,024 which is subject to Council approval of the 2004 Revised Capital Financing Strategy and Guidelines (F-51/03); and

THAT the City Clerk be directed to prepare the Special Circumstances Debenture By-law.

EXECUTIVE SUMMARY:

Central Library is an essential and highly valued City facility which requires expansion and renovation in order to meet the growing needs of the Burlington community. In June 2002 the Library Board engaged Teeple Architects Inc. to design an addition and plan the renovation of Central Library.

Upon completion of the design phase, in May-June 2003 general contractors, as well as mechanical, electrical and communications sub-contractors were pre-qualified for the Central Library expansion and renovation. Pre-qualified contractors subsequently participated in the tender process. Three of eight pre-qualified general contractors withdrew due to workload. The five remaining firms submitted tender prices which were opened July 15, 2003.

In addition to bidding on the base contract, general contractors were asked to submit alternate prices (i.e. additions or deletions to the base contract) for 25 items. The Library Board and staff are recommending three additions: finishing the lower level south-east area for future expansion, replacing coloured concrete in the entrance areas with stone tile and participating in a carpet recycling program. With these recommended extras, the lowest tender price was submitted by Struct-Con Construction Ltd, Brampton, Ontario in the amount of \$9,113,155.60 (incl. GST).

The project costs for the Central Library Expansion/Renewal have been revised to reflect the recommended July 2003 tender results. The total estimated costs are \$13,197,024 net GST rebate, an increase of \$479,024 over costs approved in February 2003 (CC-23-03-1). Additional capital financing has been identified for the revised project costs as follows: \$40,000 from a Commercial Building Incentive Program (CBIP) grant,

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\$260,000 from Library Development Charges Reserve Fund and \$179,024 from Capital Purposes Reserve Fund.

Every great city has a great library. Awarding this contract will ensure Burlington continues to be served by a great library. Staff and the Library Board recommend that the revised project costs and financing strategy be approved and that the tender contract be awarded to Struct-Con Construction Ltd.

2.0 PURPOSE:

The purpose of this report is to:

- Recommend the tender award, including extras, for the expansion and renovation of Burlington Central Library; and
- Summarize the results of the tender and revised project costs; and
- Seek approval for additional funding and a revised financing strategy which allows the tender to be awarded in keeping with approved timelines for completion of the project.

3.0 BACKGROUND:

In June 2002 the Library Board engaged Teeple Architects, Inc. to design an addition and plan the renovation of Central Library. The expansion/renewal will result in a 64,978 square foot library that includes 20,000 square feet of new construction. This totally revitalized facility will provide services and collections to community members of all ages, ensuring that the Library continues to be an essential and highly valued City service.

Pertinent Library Board Motions:

Motion 03-47 (July 23, 2003), Approval of the Tender for the Central Library Renewal Project

THAT the tender for the Central Library Renewal Project be awarded to Struct-Con Construction Ltd., 2051 Williams Pkwy. E., Unit 14, Brampton ON L6S 5T3, at the revised price of \$8,772,494 (with net GST); which includes three recommended extras described below totalling \$74,043 (with net GST), subject to the approval of the City Legal Department and the financing plan being revised with City staff; and

THAT the option to finish the lower level south-east below grade area (1876 sq. ft.) for future expansion be included in the tender award at a cost of \$67,451 (with net GST);

THAT the option to replace coloured concrete with stone tile in the entrance areas, resulting in the entire area being stone tile, be included in the tender award at a cost of \$6,592 (with net GST);

THAT the option to participate in the new carpet Manufacturer's existing carpet Reclamation process be included in the contract at no charge;

THAT the option to include stone facing on the exterior of the building be excluded from the tender award;

THAT the design include energy cost savings measures and a grant application be submitted to the Commercial Building Incentive Program (CBIP); and

THAT the Board approve the updated project costs in the amount of \$13,267,024 subject to the financing plan being revised with City staff; and

THAT subject to a financing plan being developed, this report be referred to Community and Corporate Services Committee, for consideration and approval by Committee and Council of the tender award, project costs and financing plan; and

THAT subject to City Council's approval, the Chair of the Burlington Public Library Board and City Librarian be authorized and directed to sign the contract and related documents.

Motion 03-07 (January 16, 2003), Central Library Renewal Project Costs and Design

THAT the Burlington Public Library Board approve the Central Library Renewal design presented to stakeholders in November 2002; and

THAT the detailed design phase include further investigation into energy cost savings, including, if warranted, applying for the Commercial Building Incentive Program (CBIP) and investing in heat recovery units; and

THAT the Board approve the updated project costs of \$12,718,000, subject to the financing plan being revised with City staff; and

THAT the Board approve including finishing of the lower level south-east below grade area for optional pricing in the tender and for the purposes of the revised financing plan approve including this as an option; and

THAT the Board include stone facing on the exterior of the building and stone tile in all of the lobby for optional pricing in the tender and as an option in the revised financial plan; and

THAT Library staff be directed to develop a revised financing plan in consultation with City staff and subject to City staff's review of the pending legislation regarding Hydro; and

THAT subject to a financing plan being developed, this report be referred to Community and Corporate Services Committee, as well as to the 2003 – 2012 Capital Budget and Forecast process for consideration and approval by Committee and Council of the project's proposed capital financing strategy; and

THAT Community and Corporate Services' and Council's approval be sought to start spending the \$750,000 for library materials approved in the 2002 Capital Budget; and

THAT the report to Community and Corporate Services include the Board's decision regarding services during construction and a summary of the findings that resulted in this decision; and

THAT the revised financing strategy include fundraising in the amount of \$800,000, i.e. a \$300,000 increase to the level identified in the 2002 approved financing strategy.

Pertinent Council Resolutions:

Council Resolution CC-23-03-1 (February 2003), Central Library Renewal Project Update

The Council of the Corporation of the City of Burlington, at its regular meeting held on Monday, February 24, 2003, approved the following recommendation, being Item No. CC-23-03-1:

THAT City Council approve proceeding to construction tender for the Burlington Central Library Renewal Project based on the design concept as endorsed by the Library Board at their meeting of January 16, 2003; and

THAT the revised project estimate be approved at a total cost of \$12,718,000; and

THAT the revised financing strategy for the Central Library Renewal Project be approved in the amount of \$12,718,000 as outlined in Parks and Recreation Department Report PR-02/03, dated January 30, 2003; and

THAT the City Manager and Director of Finance be authorized to proceed under the parameters identified in Confidential Appendix 4; and

THAT the tender include optional design elements as endorsed by the Library Board at their meeting of January 16, 2003 (Motion 03-07); and

THAT approval be granted to the Library to commence with the acquisition of project related library materials as approved in the 2002 Capital Budget in the amount of \$750,000, capital order LI0020.

4.0 DISCUSSION:

In May 2003 general contractors, as well as mechanical, electrical and communications sub-contractors were invited to submit prequalification information for the Central Library expansion and renovation. A team of City and Library staff and consultants reviewed the 64 submissions and following reference checks short listed eight (8) general contractors, five (5) electrical sub-contractors, five (5) mechanical sub-contractors and six (6) communications sub-contractors. During the tender process three (3) general contractors withdrew due to workload and one (1) electrical and one (1) mechanical sub-contractor were disqualified for failing to attend the mandatory site walkthrough.

Tenders for the Central Library Renewal Project were distributed to all pre-qualified contractors on June 20, 2003 and subsequently opened on Tuesday, July 15, 2003. In addition to bidding on the base contract, general contractors were asked to submit alternate prices for 25 items. In the tender documents alternate prices were defined as “additions or deletions to the Lump Sum Price for Contract tendered”. Tender documents stipulated that:

“Depending on several factors including budget, any or all of the alternate prices requested could be added to or deleted from the base tender price. It should be noted that if items are added or deleted, the revised total tender price would thus change. These additions or deletions will be applied to all tenders received to obtain revised total tender prices. These revised total tender prices will then be used to obtain the lowest tender price and award of contract.”

As adding or deleting options from the tender price has the potential to change which firm is the low bidder, the City’s Purchasing and Legal Departments were consulted regarding the use of alternate prices. Purchasing staff reviewed the tender documents and confirmed that we can utilize alternate prices as defined above and in the tender documents to arrive at the low bid.

The Library Board and staff are recommending that three alternate prices (i.e. additions) be included for finishing the lower level south-east area for future expansion, replacing coloured concrete in the entrance areas with stone tile and participating in a carpet recycling program. All bids received have been adjusted to include the costs associated with these three additional works and are summarized in Table #1 below. Including these recommended additions, the lowest tender price was submitted by Struct-Con Construction Ltd. in the amount of \$9,113,155.60 (incl. GST).

**Table #1
Tender Results with Additions**

FIRM	BASE TENDER PRICE (incl. GST)	FINISH FUTURE EXPANSION SPACE (incl. GST)	REPLACE COLOURED CONCRETE (incl. GST)	RECYCLE CARPET (incl. GST)	TOTAL REVISED TENDER PRICE (incl. GST)
Struct-Con Construction Ltd. 2051 Williams Pkwy. E., Unit 14 Brampton, ON L6S 5T3	\$9,036,238	\$70,069.60	\$6,848	\$0	\$9,113,155.60
Bondfield Construction Company Limited 407 Basaltic Road Concord, ON L4K 4K8	\$9,032,940	Incomplete, 1 price omitted Incomplete price: \$309,779.60	\$1,070	\$26,750	Incomplete Incomplete total: \$9,370,539.60
Maple Engineering & Construction Canada Ltd. 260 Holiday Inn Drive, Suite 24 Cambridge, ON N3C 4E8	\$9,597,640	Incomplete, 1 price omitted Incomplete price: \$79,622.60	\$67,410	\$3,210	Incomplete Incomplete total: \$9,747,882.60
M.J. Dixon Construction 2600 Edenhurst Drive #200 Mississauga, ON L5A 3Z8	\$9,108,910	\$245,049.60	\$53,029	Not submitted	Incomplete Incomplete total: \$9,406,988.60
Tasis Contractors Inc. 1730 McPherson Crt. #17 Pickering, ON L1W 3E6	\$9,180,600	Incomplete, 4 prices omitted	Not submitted	Not submitted	Incomplete Incomplete total: \$9,180,600

Contractor:

The recommended firm, Struct-Con Construction, has not done projects previously for the City, Library or Teeple Architects but on the basis of reference checks conducted for pre-qualification and recent work on similar projects, we believe Struct-Con can complete the contract to the satisfaction of the City of Burlington and Burlington Public Library Board.

5.0 FINANCIAL MATTERS:

5.1. Projected Capital Costs for Central Library:

The project costs for the Central Library Expansion/Renewal have been revised to reflect the recommended July 2003 tender results. Table #2 below compares February 2003 approved costs (CC-23-03-1) with overall revised project costs. The total estimated costs are \$13,197,024, an increase of \$479,024 over costs approved in February 2003.

Table #2
Approved Costs vs. Tender Results

Cost Element	February 2003 Approved Costs (CC-23-03-1) net GST Rebate	July 2003 Recommended Tender Results net GST Rebate	Notes	Variance
Construction and Site Costs				
Construction	\$7,065,300	\$8,772,494	Tender construction costs include some site and services during construction costs \$35,020 included in tender construction costs	
Post Contract Contingency	\$614,930	\$614,930		
Furnishings	\$928,860	\$928,860		
Fees	\$540,960	\$540,960		
Site Costs	\$1,027,950	\$992,930		
Misc Expenses	\$74,000	\$74,000		
Subtotal Construction and Site Costs	\$10,252,000	\$11,924,174		
Project Management/Staffing	\$233,000	\$233,000		\$0
Services During Construction				
Construction	\$566,500	\$0	Included in tender construction costs above	
Construction Contingency	\$56,650	\$0	Included in tender construction costs above	
Moving	\$200,000	\$200,000		
Fees (Space Planning, Design, Contract, Contract Admin)	\$35,000	\$35,000		
Storage	\$22,500	\$22,500		
Room Rental for Services	\$6,000	\$6,000		
Contingency (excl. construction contingency)	\$26,350	\$26,350		
Subtotal Services During Construction	\$913,000	\$289,850		\$623,150
Library Materials	\$750,000	\$750,000		\$0
Project Contingency	\$570,000	\$0		\$570,000
Total	\$12,718,000	\$13,197,024		(\$479,024)

Teeple Architects Inc. reviewed the three low bids with their cost consultant and offered the following observations regarding the tender prices:

1. There have been no unusual market trends recently that would provide a rationale for receiving tender prices significantly higher than our cost estimates.
2. The mechanical prices, in particular, are significantly higher than anticipated, by almost 30%. This could be due to the relatively few number of bids received, indicating that the pre-qualified mechanical contractors are very busy and not

needing to be competitive. This applies to a lesser degree to the electrical contractors.

The mechanical/electrical prices constitute approximately half of the \$1 million overage compared with our cost estimates.

3. Where we are able to compare other specific tender prices to our most recent cost estimate, the prices seem generally higher "across the board" with the following exceptions:
 - floor finishes (other than carpet) are almost 90% over our estimate or approximately \$125,000.
 - glazing, including the cast glass (Profilit) on the south facade, appears to be at least 10% under budget.
4. Tender costs for phasing construction to allow the Library to operate at its current location during construction appear to be possibly higher than cost estimates.

5.1.1 Option to Finish Unexcavated Area:

Plans currently show the south-east below grade area of the lower level as being unexcavated. Given the flexibility it provides for future expansion and adaptive re-use and the low cost per square foot, the Library Board proposes that the preparation of this 1876 sq. ft. space for future use be included in the contract at a cost of \$70,069.60 (incl. GST). Construction costs for this extra are included in Tables #1 and #2 above.

5.1.2 Option to Replace Coloured Concrete with Stone Tile

A mix of stone tile and coloured concrete has been proposed for the entrance areas. For aesthetic reasons, the Library Board proposes that the coloured concrete be replaced with stone tile at a cost of \$6,848 (incl. GST). Construction costs for this extra are included in Tables #1 and #2 above.

5.1.3 Option to Recycle Old Carpet

We are recommending that the tender contract include participation in the new carpet Manufacturer's existing carpet reclamation program. Under this program Interface Flooring Systems Inc. will take back and recycle carpet removed from Central Library which otherwise would have ended up in a landfill. Struct-Con's bid included rolling, wrapping and delivering the used carpet to Interface at no charge.

5.1.4 Option to Delete Items from the Tender Price

Given that only minimal savings totalling \$50,055 (incl. GST) would be realized in deleting items from the bids, the Library Board and staff are recommending that these items be included in the tender contract.

5.2 Capital Financing Strategies:

The Parks and Recreation report, PR-02/03 (CC-23-03-1) approved the most recent capital financing strategy, which provides a total approved funding of \$12,718,000 based on anticipated project costs at that time. Based on the revised project costs of \$13,197,024, additional funding to the amount of \$479,024 is required. Additional capital financing has been identified for the revised project costs as follows: \$40,000 from a Commercial Building Incentive Program (CBIP) grant, \$260,000 from Library Development Charges Reserve Fund and \$179,024 from Capital Purposes Reserve Fund.

Through detailed analysis, it has been determined that additional funding can be provided from the Library Development Charges Reserve Fund reflecting the growth related portion of the expansion of the facility which provides for an additional 20,000 square feet of new construction space.

The Commercial Building Incentive Program (CBIP) is intended to offset the extra cost of designing energy-efficient buildings. Enermodal Engineering Limited has worked with the Library's design consultants to introduce energy-saving measures such as heat recovery. Enermodal is currently projecting that the Library will be eligible for approximately \$40,000 from CBIP. Our CBIP submission is subject to review and approval by Natural Resources Canada which takes 3-6 months.

Committee should note that an additional \$179,024 of funding is proposed from the Capital Purposes Reserve Fund. This additional funding is subject to the approval of the 2004 Revised Capital Financing Strategy and Guideline report which is on the same Corporate and Community Services Committee agenda.

Table #3 below provides a summary of the revised financing plan including the additional funding requirements.

TABLE #3
Revised Project Financing

Project Central Library Expansion/Renewal		15-Jul-03	
		APPROVED BUDGET AND CC-23-03-1	FINANCING REQUIRED BASED ON TENDER AWARD LI0017
Gross Cost		\$12,718,000.00	\$13,197,024.00
Debentures	Special Circumstances	\$8,693,000.00	\$8,693,000.00
Capital from Current		\$25,000.00	\$25,000.00
CBIP Grant			\$40,000.00
Fundraising		\$800,000.00	\$800,000.00
Reserve Funds			
Library Development Charges Reserve Fund (LDCRF)		\$3,200,000.00	\$3,460,000.00
Capital Purposes Reserve Fund			\$179,024.00
Total Financing		\$12,718,000.00	\$13,197,024.00

5.3 Projected Operating Budget Impact:

The projected operating budget impact remains unchanged from that presented to Committee and Council in report CC-23-03-1. Those costs are summarized in Table #4 below.

Table #4
Summary of Operating Budget Impact 2003 – 2007

Budget Year	Revenue	Expenditures	Net Operating Budget Impact
2003		(\$61,200)	(\$61,200)
2004	(\$34,500)	\$0	(\$34,500)
2005	\$17,950	(\$219,000)	(\$201,050)
2006	\$18,000	(\$144,000)	(\$126,000)
2007		(\$4,000)	(\$4,000)
TOTAL	\$1,450	(\$428,200)	(\$426,750)

6.0 ENVIRONMENTAL MATTERS:

N/A

7.0 COMMUNICATION MATTERS:

Community consultation has been a key component throughout the project. Through regular project updates the Library and City will continue to inform all stakeholders of the status of the project and any service impacts through the construction period.

8.0 CONCLUSION:

This report updates City Council on the construction tender results and financing strategy for the Central Library Expansion/Renewal Project and recommends that the tender be awarded to Struct-Con Construction Ltd. Awarding this contract will allow the Library and City to realize the exciting new design proposed by Teeple Architects, Inc.

Based on Council support of the recommendations contained in this report, we anticipate construction starting in mid to late August 2003 with a projected completion of mid 2005 in keeping with approved project timelines.

Respectfully submitted,

Sonia Lewis
Director, Service Development
Burlington Public Library

Craig Stevens
Senior Project Co-ordinator, Major Facilities
Parks & Recreation

Appendices:

Staff / Others Consulted:

N/A	
Name	Telephone
Ann Marie Coulson	7655
Dave Wright	7645
Name	Mailing or E-mail Address
N/A	
N/A	

Notifications:

Special Instructions: