



STAFF REPORT ACTION REQUIRED

13.

Toronto Reference Library – Approval for Reimbursable Allowances for Toronto Reference Library Construction-Related Expenses

Date:	April 2, 2012
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

The purpose of this report is to request Toronto Public Library Board approval for reimbursable allowances for construction-related expenses for the final phase of the Toronto Reference Library (TRL) capital project, for a total cost of \$668,000.

The reimbursable allowances for construction-related expenses cover work billed by Eastern Construction on a monthly basis, as costs are incurred. The reimbursable allowances cover: work performed where it would be uneconomical to bring in outside labour forces due to the timing of activities or the short duration of activities; equipment; testing and permits; and minor jobs carried out by sub-trades. The original award to Eastern Construction in April 2009 included a reimbursable allowance based on the work in the initial phase. This report seeks approval for the final phase, which includes construction on the third, fourth and fifth floors.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves the reimbursable expenses allowance for the final phase of the TRL construction project, to Eastern Construction for an amount of \$668,000 [excluding the Harmonized Sales Tax (HST)]; and
2. authorizes and directs Library staff to take the necessary action to give effect thereto.

FINANCIAL IMPACT

The TRL renovation project is an approved multi-year and multi-phased capital project with total funding of \$34.2 million. The award for the reimbursable allowances totalling \$668,000, is within the approved capital budget for the TRL capital project.

The Director, Finance & Treasurer has reviewed this financial impact statement and is in agreement with it.

DECISION HISTORY

At the Library Board's October 20, 2008 meeting, staff presented a report, *Toronto Reference Library Capital Project – Construction Management Process*, describing the Board's construction management contract process that the Library would be using for the TRL construction project. The report outlined how this process differs from the general construction contract (stipulated price contract) used in most of the Library's construction projects and what the benefits are to the Library Board. Construction Management contracts are frequently used in the construction industry to manage large, multi-phased, complex projects. The Board awarded the contract for construction management to Eastern Construction at its April 20, 2009 meeting, following a competitive Request for Proposal (RFP) process.

ISSUE BACKGROUND

Because full project funding was not secured at the time of the construction management award in 2009, the RFP anticipated that the work would be done in phases, and future phases would be subject to funding availability. With the support of the Foundation, the Library was successful in securing funds for all phases of the project and this included federal funding from the Infrastructure Stimulus Fund. As a result, the two main floor phases and the second floor phase were collapsed into one to accelerate the construction work. The Library is now seeking approval for the reimbursable expenses for the final phase, in which the third, fourth and fifth floors will be renovated and a new special collections centre is built.

COMMENTS

The reimbursable allowances for construction-related expenses covers: work performed by the construction management site labour for items where it would be uneconomical to bring in outside labour forces due to the timing of activities or the short duration of activities; equipment; testing and permits; and minor jobs carried out by sub-trades. Examples include: construction of internal and external hoarding and dust partitions; public way protection; construction site and library cleaning of areas affected by construction; temporary heating areas adjacent to library service areas; inspection and testing services for structural steel, concrete strength testing and soil compaction testing; health and safety requirements, including fans for fume elimination from the construction area; permits for hoarding and street closures. This is work associated with managing a

multi-phased construction project in a fully-occupied building, open to the public. The work is carried out by Eastern Construction and its sub-trades.

The reimbursable allowances for the third phase amount is \$668,000. This amount has been incorporated into the cost projections for the project and is within the approved funding for the project. Reimbursable expenses are itemized and billed on a monthly basis, as they are incurred.

CONTACT

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SIGNATURE

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