



STAFF REPORT ACTION REQUIRED

15.

Toronto Reference Library Capital Project – Construction Tenders Pre-Approvals #3

Date:	October 17, 2011
To:	Toronto Public Library Board
From:	City Librarian

SUMMARY

To request Toronto Public Library Board authorization to award the tenders for the third phase of construction on the Toronto Reference Library (TRL) capital project. The Library Board is asked to approve costs to a set dollar limit, which is within the available funds for the capital project. Library staff will report the tenders awarded to the Board on a quarterly basis.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. authorizes appropriate Library staff to award tenders for the next phase of the Toronto Reference Library (TRL) capital project, for an additional \$6,000,000, bringing the total award envelope to date to \$18,560,000 [excluding Harmonized Sales Tax (HST)]; and
2. directs Library staff to report to the Board all tender awards for the TRL capital project, on a quarterly basis.

Implementation Points

The report of tender awards for the TRL capital project will be made on a quarterly basis, the timing to coincide with the quarterly capital budget variance reports. The award of tenders will be made to the lowest price bidders.

FINANCIAL IMPACT

The dollar limit of \$18,560,000 (excluding HST) for construction tender awards is within the Library's available funds for the TRL capital project.

The Director, Finance and 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 report noted that the Library Board would be asked to approve costs to a set dollar limit, based on availability of funds. Multiple approvals are expected in this project, over the life of the project.

At the Library Board's September 21, 2009 meeting, the Board approved the award of tenders for the second phase of the TRL capital project, up to a \$6,560,000 total. At its June 21, 2010 meeting, the Board authorized increasing the award limit to \$12,560,000. This second phase includes renovation and expansion of the first floor along Yonge Street, construction of the new entrance, gallery and browsery, and the renovation of the second floor.

ISSUE BACKGROUND

Given the complexity of the TRL renovation project and the phased approach, the Library determined that the best approach would be to manage the construction through a construction management contract, which is a change from the Library's standard practice, of a stipulated price contract. Eastern Construction was selected as the construction management firm using a competitive process. One of the benefits to the Library is that Eastern Construction is issuing tenders for work on a schedule that keeps the project moving as quickly as possible, with several construction phases in different areas overlapping, keeping in mind the need to maintain public service. Tenders for the project are being issued as needed, not for the project as a whole at the outset. Eastern follows the Library's procurement process for issuing competitive bids. Authorizing Library staff to approve the tenders awards, to a total dollar limit, provides the ability to keep the project moving forward. The award of tenders is made to the lowest bidders.

COMMENTS

The Board has received seven information reports of construction tender awards for the second phase of the TRL Capital Project under the pre-approval authorization of \$12,560,000, for tender awards made as of December 31, 2009. As of June 30, 2011, the total amount awarded was \$9,070,481.03.

The tender awards since June 30, 2011 are \$881,000. Construction is beginning on the third phase, which includes renovation of the third, fourth and fifth floors with the expectation that the total amount of tenders awarded by the end of the year will exceed the current \$12,560,000 pre-approval amount. The Library Board is asked to authorize staff to approve tender awards for an additional \$6,000,000, for a cumulative total of \$18,560,000.

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SIGNATURE

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