



STAFF REPORT ACTION REQUIRED

2023 Capital Budget Adjustment and Increase to Construction Contract for Northern District Branch Exterior Remediation

Date: June 19, 2023

To: Toronto Public Library Board

From: City Librarian

SUMMARY

This report requests Toronto Public Library Board approval to increase the contract value for construction services with HN Construction Limited for the Northern District Exterior capital renovation project by up to \$1,000,000 and to amend the Toronto Public Library (TPL) 2023 Capital Budget by reallocating \$1,000,000 of funding to the Northern District Exterior project to accommodate the increase in the construction contract.

The increase to the contract value is required in order to address additional work related to site conditions that were discovered upon commencement of the exterior remediation work at the branch.

RECOMMENDATIONS

The City Librarian recommends that the Toronto Public Library Board:

1. approves an increase of up to \$1,000,000, excluding Harmonized Sales Tax (HST), to the construction contract with HN Construction Limited for exterior remediation work at Northern District;
2. approves a 2023 budget reallocation of \$1,000,000 gross and debt from the Toronto Reference Library Renovation project to the Northern District Exterior project; and
3. authorizes staff to forward this capital budget adjustment to the City for approval.

FINANCIAL IMPACT

The additional work related to site conditions that were discovered upon commencement of the exterior remediation work at the Northern District branch is estimated to cost up to \$1,000,000.

The estimated increase to the construction contract with HN Construction Limited for exterior remediation work at Northern District requires a budget adjustment to increase the Northern District Exterior project by the same amount. Budget funding will be provided by the Toronto Reference Library Renovation project which is currently underspending due to delays, as shown in Table 1 below.

Table 1: 2023 CAPITAL IN-YEAR ADJUSTMENTS (\$ millions)

Project Name	2023	
	Gross	Debt
Budget transfer		
Toronto Reference Library Renovation	(1.000)	(1.000)
Northern District Exterior	1.000	1.000
Subtotal	0.000	0.000
Total Adjustment	0.000	0.000

The budget transfer amendment will change the scope of the Northern District Exterior project and increase the total project cost to \$3.205 million. The Toronto Reference Library capital budget in 2023 will be reduced to \$2.4 million.

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

ALIGNMENT WITH STRATEGIC PLAN

The 2023 capital budget supports TPL's strategic plan objectives, in particular: provide quality, accessible & inclusive public spaces; increase access to technology & digital literacy; and deliver exceptional customer experiences.

TPL's 2023 capital budget aligns and supports Council's strategic vision to make Toronto a centre of innovation and growth. The capital program builds and maintains beautiful public space in every neighbourhood and leverages digital advances and technology to create smart and efficient services. By enhancing the accessibility and inclusivity of library branches and expanding digital access, the plan supports equitable access to library services for all and enhances investment and quality of life in neighbourhoods across the city.

EQUITY IMPACT STATEMENT

The 2023 capital budget is informed by the principles of equity and access and advances the work required under the Accessibility for Ontarians with

Disabilities Act (AODA). The capital budget was developed using the facilities master plan with access as one of the key drivers for investment in capital projects. The budget will increase TPL's capacity to align the investment in library facilities and services with need and demand across the city. It seeks to improve equity with respect to facility and service access for all residents, including equity-seeking groups in the city of Toronto.

DECISION HISTORY

On February 27, 2023, the Board adopted the [Council-approved 2023-2032 capital budget and plan.](#)

On September 19, 2022, the Board considered [Northern District Branch Exterior Remediation - Award of Tender](#) and awarded a contract with HN Construction Limited for exterior remediation work at Northern District branch with a total value of \$2,039,049, excluding HST.

ISSUE BACKGROUND

Financial control policies for the City and the Library allow for cash flows to be reallocated between capital projects in order to provide required funding for projects spending ahead of schedule.

Any budget adjustments of more than \$250,000 require Board endorsement and City approval.

COMMENTS

When HN Construction Limited began the repair work on the building exterior at the Northern District branch, they discovered the structural concrete block walls behind the brick veneer had significant deterioration from water penetration. In order to repair this, additional funding is required to remove all the brick veneer from the walls and the concrete block structural back up walls. Additional funding is also required for work needed on the East side property line as a result of structural integrity concerns of the existing retaining wall due to site grading. It is estimated that this increased scope of work will cost no more than \$1,000,000, though the exact amount required is not yet known.

An in-year budget reallocation is required in order to ensure sufficient funding is available in the Northern District Exterior capital project and allow an increase to the award of contract to the contractor. Therefore, TPL is requesting a 2023 budget reallocation of \$1,000,000 gross and debt from the Toronto Reference Library Renovation project to the Northern District Exterior project. This in-year budget adjustment will change the scope of the Northern District Exterior project and increase the total project cost to \$3.205 million. The funding is available from the TRL Renovation project due to additional planning work required for the project which will result in reduced spending in 2023.

This in-year budget reallocation will have a net zero debt impact on the 2023 Council Approved Capital Budget.

A separate report at this meeting, *Capital Budget Monitoring Report – April 30, 2023*, provides a status update on all 2023 capital projects and includes an increased full year spend forecast for the Northern District Exterior project including the additional spending estimated in this report.

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SIGNATURE

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