**Agenda – Executive Policy Committee – January 23, 2013**

## REPORTS

**Item No. 6 Transfer of Funding to the Fort Garry Library Refurbishment Capital Project (Fort Garry-East Fort Garry Ward)**

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That funding in the amount of $100,000 be transferred from the Planning, Property and Development Department's Non-Specified Capital Account (NSCA) 63970000NS and funding in the amount of $45,000 be transferred from the Community Services Department's Non-Specified Capital Account (NSCA) 62970000NS to the Fort Garry Library Refurbishment capital project # 6331010611 thereby increasing the project budget to $890,000.

# ADMINISTRATIVE REPORT

**Title:** Transfer of Funding to the Fort Garry Library Refurbishment Capital Project from the Non-Specified Capital Account – Project No. 2011-096

**Critical Path:** Executive Policy Committee

## AUTHORIZATION

| Author | Department Head | CFO | CAO |
|---|---|---|---|
| I. Day<br>R. Walker | B. Thorgrimson<br>C. Wightman | M. Ruta, CFO | D. Joshi, COO |

## RECOMMENDATIONS

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## REASON FOR THE REPORT

In accordance with Administrative Standard FM-004 - Capital Project Administration, approval of the "appropriate committee" is required when the total amount of the transfer from a department(s) non-specified capital account(s) exceeds the lesser of $100,000 or 25% of the base budget of the project to which the transfer is being made.

Since the recommendation involves the NSCA of two departments, each reporting to a different Standing Policy Committee (SPC on Property and Development and SPC on Protection and Community Services), the Executive Policy Committee is the appropriate committee to consider the approval of this report.

## IMPLICATIONS OF THE RECOMMENDATIONS

- If approved, the Fort Garry Library Refurbishment capital project 6331010611 budget will increase to $890,000 from the previously approved budget of $745,000.
- The additional funding will allow the construction contract to be awarded.

- Further additional funding will be requested in Administrative Report MA2012-005 which is subject to approval from the Standing Policy Committee on Finance in February, 2013. The additional funding is requested for an added project contingency of $55,000. Funding is to be consolidated from the following Capital Accounts:

    - Renovate & Refurbish Existing Library Branches $25,000 (Account # 6210634112)
    - 2012 Library Signs, Safety & Accessibility Capital Accounts $30,000 (Account # 6210634512)

- This report precedes the award report for the Interior and Exterior Refurbishing Project at Fort Garry Library (Bid Opportunity 2012-159). A delay in this report will delay the award report which risks the low bidder(s) not extending their bid and having to award to a higher bidder.

## HISTORY

An Administrative Report dated May 30, 2011 was approved by the Standing Policy Committee on Finance for the consolidation of funding for the Fort Garry Library Refurbishment project. Four different capital program budgets were consolidated for a total project budget of $745,000. The consolidation details are as follows is as follows:

**FORT GARRY LIBRARY REFURBISHMENT PROJECT**

| Capital Project # / Funding Source | Description | Council-Approved Budget / Funding | Portion Related to Fort Garry Library |
|---|---|---|---|
| **Funding Source to be Consolidated:** | | | |
| 6210000110 | Renovate and Refurbish Various Library Branches Program | 200,000 | 80,000 |
| 6210634111 | Renovate and Refurbish Various Library Branches Program | 500,000 | 400,000 |
| 6211000511 | Library Shelving and Furniture Replacement Program | 200,000 | 100,000 |
| 6331000611 | Accommodation Facilities | 1,100,000 | 165,000 |
| **Total Project Budget** | | **2,000,000** | **745,000** |

The public tender for the Fort Garry Library Refurbishment (Bid Opportunity 598-2012) was posted on the City of Winnipeg website and closed on October 15, 2012. Nine responsive, competitive bids were received. Prior to tender, Municipal Accommodations Division reviewed the design and the allocated budget was suspected to be insufficient. The Bid Opportunity was prepared with unit pricing for two items which in the case that the lowest evaluated responsive Bid exceeded the budgetary provision of the Work, those items could be progressively deducted from all qualified Bids.

The low bid for the total project was $880,000 (prior to deletions) which exceeded the project budget of $745,000. Utilizing all deletions within the provisions of the Bid Opportunity would still exceed the project budget, therefore additional funding would have to be approved to award the tender.

At a meeting held on October 19, 2012, representatives of the Community Services (CmS) and Planning, Property and Development (PPD) Departments discussed options to proceed with the project. Consideration was given to additional funding possibilities and/or unit pricing deletions and a consensus was reached to incorporate both. Additional funding totaling $145,000 was identified and Item 2 from Bid Opportunity 598-2012 was deleted from the scope of work to reduce the total bid price to $800,175. Item 2 consisted of the exterior ramp, landing, stairs, landscaping and associated structural work. The deletions, if later pursued, would be treated as a separate project, under a separate bid opportunity, subject to approved funding.

The additional funding for the Fort Garry Library Refurbishment, the subject of this report, is requested to come from the non-specified capital accounts of the Community Services and Planning, Property and Development Departments. A reconciliation of the project is included below.

| | | |
|---|---|---|
| Previously Approved Project Budget | | $ 745,000 |
| PPD – Non Specified Capital | | $ 100,000 |
| CmS – Non Specified Capital | | $ 45,000 |
| Project Budget (subject to approval of this report): | | $ 890,000 |
| | | |
| Estimated Consultant Costs (including finance & admin overhead) | $ 19,000 | |
| Estimated Contractor Cost (including MRST, finance & admin overhead) | $ 867,000 | $ 886,000 |
| | | |
| Balance / Contingency | | $ 4,000 |

An award report to be considered for approval by the Director of Planning, Property and Development will be prepared once appropriate funding is approved by the Executive Policy Committee. The award report outlines all responsive Bids, prices including deletions and recommendations of the Municipal Accommodations Division.

## FINANCIAL IMPACT

# Financial Impact Statement

**Date:** January 11, 2013

**Project Name:**

Transfer of Funding to the Fort Garry Library Refurbishment Capital Project from the Non-Specified Capital Account

**First Year of Program** 2013

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ 890,000 | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | 745,000 | - | - | - | - |
| Additional Capital Budget Required | $ 145,000 | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Cash-to-Capital (PPD NSCA) | $ 100,000 | $ - | $ - | $ - | $ - |
| Cash-to-Capital (CmS NSCA) | 45,000 | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ 145,000 | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ 145,000 | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | - | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments:** The additional capital budget required of $145,000 is to be funded by transfers of $100,000 and $45,000 from the Planning, Property and Development Department's and Community Services Department's non-specified capital account respectively.

*"Original signed by"*
Mike McGinn, CA
Manager of Finance

## CONSULTATION

**In preparing this report there was consultation with:**

Planning, Property and Development

Community Services

## SUBMITTED BY

Department: Planning, Property and Development
Division: Municipal Accommodations
Prepared by: Greg Kucel
Date: January 11, 2013
File No. MA2013-009

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