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## Council-In-Committee Meeting – June 11, 2024

Subject: Waterford Branch Library Retrofits and Interior Renovation – Budget Amendment  
Report Number: OPS-24-019  
Division: Operations  
Department: Facilities  
Ward: Ward 7  
Purpose: For Decision

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### Recommendation(s):

That Council receive Report OPS-24-019 Waterford Branch Library Retrofits and Interior Renovation – Budget Amendment as information; and

That the Director, Facilities be authorized to execute a contract with PK Construction Inc. for tender **OPS-FAC-24-01 Waterford Branch Library Retrofits, Upgrades and Interior Renovation**, in the amount of \$1,033,049 (excluding HST); and

That the Approved Capital Budget for Project 9131801 Interior Expansion – Waterford Library be amended from \$450,000 to \$646,000 to accommodate the required increase of \$196,000, with funding to be provided from Development Charge Debt; and

That the Approved Capital Budget for Project 9132206 NCPL – Waterford Branch Retrofit be amended from \$376,000 to \$530,000 to accommodate the required increase of \$154,000, with funding to be provided from the Library Reserve (\$229,000) and Federal Grants (\$301,000); and

Further that the Approved Capital Budget for Project 9132204 Carpets – Waterford Library Branch be amended (decreased) from \$75,000 to \$55,000 as offsetting savings (\$20,000).

### Executive Summary:

The intent of Staff Report OPS-24-019 is to present the results of the formal bidding opportunity for the Waterford Branch Library Retrofits and Interior Renovation project and request Council approval for budget amendments totaling \$330,000 in order to secure general contractor services to complete the project.

### Discussion:

## Background

As per Staff Report OPS-22-038, Norfolk County Staff submitted an application to a federal funding opportunity, which due to communication embargos, cannot be named at this time, to support repairs, upgrades, accessible retrofits and green initiatives at the Waterford Branch Library.

Prior to the release of the Request for Proposal (RFP) for engineering services, Facilities staff, in collaboration with NCPL staff, came to a consensus to include the planned interior renovation project within the retrofit project to ensure favourable pricing and that retrofit funding targets would not be compromised (i.e., through the expansion of usable, public floor space).

Upon notification of successful award and receipt of the formal Contribution Agreement, Staff issued an RFP for Engineering Services for Retrofits and Upgrades at the Waterford Branch Public Library. Upon RFP close, Staff informed Council that the bid exceeded the combined engineering component of the project budgets, so the available construction budget was used to accommodate the overage, noting this led to a budget amendment at the point of construction award.

Request for Pre-Qualification OPS-FAC-24-06 General Contractors for the Norfolk County Public Library – Waterford Branch Retrofits, Upgrades and Interior Renovation was issued in March 2024 and resulted in seven (7) general contractors being selected to participate in the tender for the Waterford Branch Library Retrofit and Interior Renovation project. The Request for Tender (RFT) for this project was issued in and closed April 2024, resulting in this report.

Tender documents were distributed to all 7 pre-qualified firms and four (4) submissions were received. The results of the bidding are as follows:

<b>Bidder Name</b>	<b>Total Bid Price (Excl. HST)</b>
PK Construction Inc.	\$1,064,284
Reid & Deleye Contractors Ltd.	\$1,146,409
Pulsan Construction Inc.	\$1,254,000
Defaveri Group Contracting Inc.	\$1,775,736

Staff are recommending an amendment lower than the tender pricing due to the removal of the provisional item from the scope of work.

The formal bidding opportunity was developed and issued in accordance with the Norfolk County Purchasing Policy and Procedures. The recommended bidder has been proposed on the basis of having submitted the lowest compliant bid that meets the minimum specification as outlined in Norfolk County Policy CS-02, Purchasing Policy, Section 4.4.

## **Project Details**

### **Retrofit and Upgrades**

The overall goal of the retrofit project at the Waterford Branch Library is to reduce greenhouse gas emissions by approximately 17.1 tonnes annually through the upgrade and/or implementation of various building components such as, solar panels, battery storage, mechanical and electrical equipment and windows. Upon further investigation throughout the design process, a partial roof replacement was also recommended due to the roofing components nearing end-of-life and to accommodate the proposed solar additions.

### **Interior Renovation**

The overall goal of the interior renovation at the Waterford Branch Library is to expand the total usable public floor space and provide AODA upgrades to public restrooms. In order to facilitate this, the project requires moving interior walls and the decommissioning of various kitchenettes, closets, and rooms.

### **Recommendation and Justification**

Operations staff are recommending that Norfolk County Council amend the Approved Capital Budget to allow the Waterford Branch Library Retrofit and Interior Renovation project to proceed as planned.

This provides Norfolk County with the opportunity to take advantage of the \$301,000 in funding received for this project. The existing infrastructure being replaced and/or upgraded through the proposed retrofit project would otherwise require like-for-like replacement in the short-term due to their nearing end of life. Additionally, retrofits will result in direct annual energy and cost savings of approximately 104,687 ekWh (equivalent kilowatt hours) and \$5,000 respectively.

Further, the project provides Norfolk County with the opportunity to redefine the interior usable, public floor space of the branch in order to expand the current library collection and deliver the appropriate services and programs for the current and future populations in the growing town of Waterford. As per the NCPL Waterford Branch 2022 Short and Long-Term Plan recommendations (i.e., interior renovation and reconfiguration), it has been determined that the current available space at the branch is not adequate for both the short- and long-term.

In the absence of approving this budget amendment, grant funding of up to \$301,000 would have to be forfeited. Furthermore, the asset replacement components of this project such as the HVAC and building component upgrades would have to be re-budgeted in the Proposed 2025-2034 Capital Plan with a more appropriate budget.

**Financial Services Comments:**

The tender OPS-FAC-24-01 Waterford Branch Retrofits, Upgrades, and Interior Renovation encompasses three projects in the Approved Capital Budget. Based on the lowest bid amount of \$1,033,100 from PK Construction Inc. for the construction of these projects, and other minor costs outside of the bid for furniture and equipment, a budget amendment totaling \$330,000 would be required to complete the required works. Table 1 has been provided below breaking down the approved budgets with the recommended amendments and their funding sources.

**Table 1 – Recommended Budget Amendments**

<b>Funding Source</b>	<b>Approved Financing</b>	<b>Recommended Amendment</b>	<b>Amended Financing</b>
<b>9131801 Interior Expansion – Waterford Library</b>			
Library Development Charge Reserve Fund	\$450,000	(\$450,000)	\$0
DC Debt	\$0	\$646,000	\$646,000
<b>Project Total</b>	<b>\$450,000</b>	<b>\$196,000</b>	<b>\$646,000</b>
<b>9132206 NCPL – Waterford Branch Retrofit</b>			
Federal Grants	\$301,000	\$0	\$301,000
Library Reserve	\$75,000	\$154,000	\$229,000
<b>Project Total</b>	<b>\$376,000</b>	<b>\$154,000</b>	<b>\$530,000</b>
<b>9132204 Carpets – Waterford Library Branch</b>			
Library Reserve	\$75,000	(\$20,000)	\$55,000
<b>Project Total</b>	<b>\$75,000</b>	<b>(\$20,000)</b>	<b>\$55,000</b>
<b>Grand Total</b>	<b>\$901,000</b>	<b>\$330,000</b>	<b>\$1,231,000</b>

The total amended financing represents the full budget allocation for each project above, inclusive of previously awarded engineering.

In addition to the Waterford facilities projects, two newly identified initiatives are to be funded from the Library Reserve during 2024, the replacement of laptops and tablets for \$29,000 and an update to the library website for \$40,000. The projected balance of the Library Reserve is sufficient to accommodate these amendments.

The projected balance of the Library Development Charge Reserve Fund was not sufficient to accommodate these amendments. Consequently, the project costs will have funded by Development Charge (DC) Debt, meaning that the project costs will be issued as debt and the principal and interest repayments will be offset by using Library Development Charge collections so there is no impact to the levy. As a result, this actually causes an increase to the year-end projected balance of the Library Development Charge Reserve Fund, however, is less affordable in the long-run as

some Library DCs that are collected must be used to fund interest payments rather than capital costs.

Table 2 has been provided below to summarize the projected impact for both sources.

**Table 2 – Impact of Recommended Amendment on Reserves**

	<b>Library Reserve</b>	<b>Library Development Charge Reserve Fund</b>
Unaudited 2024 Opening Balance	\$804,275	\$144,910
Projected Contributions & Interest	360,000	125,873
Projected Commitments	(817,422)	(566,218)
Amendments to Date	0	0
Technology Replacements	(29,000)	0
Website Update	(40,000)	0
Impacts of this Report	(134,000)	473,352
<b>Projected 2024 Closing Balance</b>	<b>\$143,853</b>	<b>\$177,917</b>

**Interdepartmental Implications:**

**Purchasing Services**

Purchasing staff have reviewed the report and advises that Request for Tender OPS-FAC-24-01 Waterford Branch Library Retrofits, Upgrades and Interior Renovation was developed and issued in accordance with the Norfolk County Purchasing Policy and Procedures. The recommended bidder has been proposed on the basis of having submitted the lowest compliant bid that meets the minimum specifications as outlined in Norfolk County Policy CS-02, Purchasing Policy Section 4.4.

Further, as outlined in Section 25.1.3 of CS-02, Purchasing Policy, a report to Council is required for approval if the amount of the Bid, plus all related costs, is not within the approved allocations.

**Consultation(s):**

Staff from Finance, Purchasing and the NCPL have been consulted through to the completion of this Report.

**Strategic Plan Linkage:**

This report aligns with the following 2022-2026 Council Strategic Priorities: Building Norfolk - Develop the infrastructure and supports needed to ensure complete communities.

Serving Norfolk - Ensuring a fiscally responsible organization with engaged employees who value excellent service.

Sustaining Norfolk - Creating a sustainable community and a positive legacy.

Explanation:

Building Norfolk: Shall ensure that the current Waterford Branch can continue to provide its services to the community in the short and long term and accommodate the current and growing population in the Town of Waterford.

Serving Norfolk: Expansion of the total usable floor space at the branch will provide increased service to community members. In addition, this will allow Norfolk County to take advantage of the current available funding opportunity to offset funds required for HVAC upgrade costs.

Sustaining Norfolk: The proposed project aims to improve several building components at the Waterford Branch, sustaining the facility into the long-term. The retrofit portion of the project will also assist the County in reducing their total carbon footprint through improved energy efficiency and reduced emissions.

### **Conclusion:**

Staff are recommending to move ahead with the proposed Waterford Branch Library Retrofits and Interior Renovation project.

This project is needed in order to retrofit and upgrade existing mechanical, electrical and other critical building components. Further, this project will ensure that the Waterford Branch Library can provide a full complement of required services to the public whilst simultaneously accommodating the growing community within the town of Waterford.

Moreover, this allows for Norfolk County to take advantage of the \$301,000 in funding for the retrofit portion of the project, whereas not proceeding would result in a return of the funding amount, with identified projects being reinstated into the 2025 10-year Capital Plan.

### **Attachment(s):**

N/A.

### **Approval:**

Approved By:  
Al Meneses, CAO

Reviewed By:  
Bill Cridland  
General Manager, Operations

Reviewed By:  
Michael Simoes  
Director, Facilities

Prepared By:  
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