

To: COUNCIL

Meeting Date: 06/08/21

Subject: Queen's Square Library Roof Replacement Project Forecast Change

Submitted By: Sheryl Ayres, Chief Financial Officer

Prepared By: Katie Fischer, Deputy Treasurer

Report No.: 21-166(CRS)

File No.: C1101

Recommendation(s)

THAT report 21-166(CRS) re: Queen's Square Library Roof Replacement Project Forecast Change be approved;

AND THAT funding from the Facility Maintenance Reserve Fund in the amount of \$170,000 and funding from the Library Facility Maintenance Reserve Fund in the amount of \$170,000 be transferred to capital project A/00626-40 Queen's Square Library Roof Project.

Executive Summary

Purpose

- Following the Library's procurement process, tenders have come in over budget for project A/00626-40 Queen's Square Library Roof Replacement project. This report provides an update and recommends funding for the variance.

Key Findings

- The project is to replace the roof over the original 1968 portion of the Queen's Square building as well as one large and two smaller skylights located on this roof. The roof was last replaced in 2000.
- A condition assessment was completed on the roof in 2018 through a consultant retained by Library staff; the roof and skylights were rated to be in poor condition and the recommendation was for replacement within 5 years, specifically in 2020. The budget was based on the findings of the condition assessment.

- The Library’s project management consultant has indicated that the price of roof replacements has gone up significantly since the estimate was created in 2018, especially in the past few months as a result of escalating material costs and COVID-19 safety protocols. Also, an additional skylight is being replaced and all skylights have been re-designed to improve performance, prolong service life and reduce maintenance costs.
- Given the condition of the roof and the expectation that materials and related costs will continue to escalate in the near future, it is recommended that the work be completed this year and not deferred for future capital budget consideration.

Financial Implications

- Capital project A/00626-40 Queen’s Square Library Roof Replacement was approved as part of the 2020 Capital Budget, with a budget of \$275,000. Based on the bids received, an additional \$340,000 is required to complete the scope of work, which includes both the roof and skylights replacements.
- The Library is able to fund half the variance (\$170,000) from the Library Facility Maintenance Reserve Fund held by the City, with the expectation that it will be replenished at the end of 2021 as a result of their forecasted surplus. The remaining \$170,000 is recommended to be drawn from the City’s Facility Maintenance Reserve Fund.

Background

Project A/00626-40 Queen’s Square Library Roof Replacement was approved as part of the 2020 Capital Budget, with a budget of \$275,000 funded from the Capital Works Reserve Fund. The project is to replace the roof over the original 1968 portion of the Queen’s Square building as well as one large and two smaller skylights located on this roof. The roof was last replaced in 2000. A condition assessment was completed on the roof in 2018 through a consultant retained by Library staff; the roof and skylights were rated to be in poor condition and the recommendation was for replacement within 5 years, specifically in 2020.

Due to the COVID-19 pandemic, the work was delayed and put out to tender under the Library’s procurement process in 2021. An open request for prequalification of roofing contractors was done and resulted in 13 submissions. Five contractors were prequalified and a tender was issued. All five prequalified contractors submitted a bid. The lowest compliant bid obtained is significantly over budget, requiring \$340,000 in additional funding, for a revised project total of \$615,000. The Library’s project management consultant has indicated that the price of roof replacements has gone up significantly since the estimate was created in 2018, especially in the past few months, as a result of escalating material costs and COVID-19 safety protocols. Also, an

additional skylight is being replaced and all skylights have been re-designed to improve performance, prolong service life and reduce maintenance costs.

Analysis

Strategic Alignment

PEOPLE To actively engage, inform and create opportunities for people to participate in community building – making Cambridge a better place to live, work, play and learn for all.

Goal #2 - Governance and Leadership

Objective 2.5 Focus on the responsible management of financial resources, ensuring transparency and accountability.

This report provides transparency surrounding the funding of capital projects, and the work to be undertaken in the capital project ensures the sustainability of the City's assets.

Comments

The Queen's Square Library Roof Replacement project was approved based on a condition assessment from 2018 which indicated the work should be completed in 2020. The current roof has leaked significantly in the past. The Library's custodial team has been sealing up the problem areas as needed until replacement could be undertaken. The current roof condition promotes poor drainage and could lead to significant interior water damage should there be a future leak. The risk of a more significant leak could depend on the type of winter experienced, as snow, ice and water build up cause more problems.

Given the condition of the roof and the expectation that materials and related costs will continue to escalate in the near future, it is recommended that the work be completed this year and not deferred for future capital budget consideration. Additionally, during the current state of the pandemic, there is less usage of the building and completing the project this year would minimize impacts to the public.

There is no potential to reduce the scope of the roof replacement in order to bring it within budget, as the full section over the original 1968 portion of the building requires replacement at the same time. The optimal time to replace the skylights is at the same time as the roof.

Therefore, it is recommended that the work proceed in 2021 with additional funding, as opposed to being deferred for future capital budget consideration.

Existing Policy/By-Law

The Cambridge Public Library Board Purchasing Policy ensures an open and transparent procurement process that provides accountability on the utilization of financial resources.

The Budget Control By-law 152-14 provides the necessary guidelines to ensure accountability and controls for the financial management of the City. The By-law includes capital budget financial controls.

The Reserve Fund By-law 19-144 establishes reserve funds held by the City along with their purposes and intended uses.

Financial Impact

Capital project A/00626-40 Queen's Square Library Roof Replacement was approved as part of the 2020 Capital Budget, with a budget of \$275,000 funded from the Capital Works Reserve Fund. Based on the bids received, an additional \$340,000 is required to complete the scope of work, which includes both the roof and skylights replacements. This brings the project to a revised total budget of \$615,000.

Through a review of their reserve funds, the Library is able to fund half the variance (\$170,000) from the Library Facility Maintenance Reserve Fund held by the City, with the expectation that it will be replenished at the end of 2021 as a result of their forecasted surplus. The reserve fund has a current balance of \$450,541. Due to COVID-19 restrictions and cost containment measures in place, the Library is forecasting at this time a surplus of \$300,000.

The remaining \$170,000 is recommended to be drawn from the City's Facility Maintenance Reserve Fund. The reserve fund has a current balance of \$2.7 million. These funds are forecasted to be utilized for future capital projects through the 10-year capital investment plan, which will be reviewed and updated as part of the 2022 capital budget process.

With the escalating construction material costs that have been seen, future project budget estimates will also be reviewed and updated as required through the 2022 capital budget process.

Public Input

Posted publicly as part of the report process.

Internal/External Consultation

The request for additional funding for the Queen's Square Library roof replacement project was submitted by Library staff who are leading the project.

The City's Project Management Office was consulted with respect to the request.

Conclusion

Project A/00626-40 Queen's Square Library Roof Replacement was approved as part of the 2020 Capital Budget, with a budget of \$275,000. Following the Library's tender process, the revised project budget is \$615,000 due to material cost escalations and the skylight replacement cost having been underestimated. The Library is able to fund half the variance (\$170,000) from the Library Facility Maintenance Reserve Fund held by the City, with the expectation that it will be replenished at the end of 2021 as a result of their forecasted surplus. The remaining \$170,000 is recommended to be drawn from the City's Facility Maintenance Reserve Fund.

Signature

Division Approval

Reviewed by Legal Services



Name: Sheryl Ayres
Title: Chief Financial Officer

Departmental Approval



Name: Dave Bush
Title: Deputy City Manager, Corporate Services

City Manager Approval



Name: David Calder
Title: City Manager

Attachments

- N/A