



FOR INFORMATION

Report Date: February 1, 2021

Contact: Michael Stamhuis

Agenda Item Number:

Meeting Date: February 17, 2021

TO: Town Council

FROM: Michael Stamhuis, Special Projects Manager

SUBJECT: Strathmore Municipal Building – January 2021 Cost Update

RECOMMENDATION:

THAT Council accept the Cost Summary Report and its attendant spreadsheets be received for information; and

THAT Council direct Administration to place this report and its accompanying spreadsheets on the Town's website.

REPORT SUMMARY

Project spreadsheets have been updated to reflect both incurred and some very minor anticipated costs as of the end of January 2021. The updated costs indicate a projected overall cost for the project of \$14.50 Million. This amount is approximately \$20,000 higher than the projection in the cost update provided in mid-November. While these costs are not considered to be "final", we are confident that any variances between this assessment and the ultimate final cost will be very small.

CHIEF ADMINISTRATIVE OFFICER'S COMMENTS

REPORT

BACKGROUND/CONTEXT

As of today, the project can be considered to be totally complete with the exception of two items. These include warranty items that may arise between now and November 2021. No additional costs are being anticipated. A small allowance for yet to be incurred project management costs has been included in the above final figure. Not included in the above cost are those items identified as optional, or as items that can be or have been deferred. We have provided a report that outlines

these items. We have been able to determine that the final project costs will be about \$420,000 below the funding amount allocated.

DISCUSSION

The Project is broken down into four major components which are reflected in the detailed spreadsheets as follows:

1. **Building Construction** – A breakdown of the building construction costs is attached. We had allocated a total of \$7.9 Million to this component. As can be seen on the spreadsheet, we have authorized expenditures of \$7,918,000. With the move-in and with the installation of the audio-visual equipment, we have encountered the need for a number of electrical and trim items. A significant additional wiring cost was needed to relocate the audio-visual equipment back to the server room. Works done through PCL are included in this spreadsheet, while works done through our Audio-Visual and IT contractors are included in the FF&E costs.
2. **Site Servicing and Rehabilitation Costs** – We have set the costs for Site Servicing and Rehabilitation at \$2,600,000. This is virtually the same as the estimate provided in early November. We have since settled the outstanding subcontractor claim for the amount that had been set aside as the settlement allowance.
3. **Strathmore Commons and North Kinsmen Improvements** – The total costs for Strathmore Commons and North Kinsmen Improvements is now at \$1,667,000, a reduction of \$8,000. The small cost saving is due to the final consulting fees for the Thomas Drive Bridge being lower than originally estimated. The spreadsheets have now captured this underrun.
4. **Soft Costs and Furniture, Fixtures and Equipment** – The overall estimate for Soft Costs and Furniture, Fixtures and Equipment has increased by \$24,000 to \$2,317,000. This is largely due to the unbudgeted allowance for Ricoh staff in necessary IT tasks to facilitate the transfer to the new building. As a result, the FF&E costs are about \$37,000 higher than previously anticipated. Offsetting this overrun is a saving is due to double entry of one of the Gibbs Gage Architect work orders. Any remaining FF&E costs will be minor and will be absorbed under operating budgets.

When these changes are totaled as shown in the **Consolidated Summary Spreadsheet**, the projected final project cost is now \$14.50 Million. This amount is \$420,000 below the funding allocation for the project.

We have found that there are some challenges with balancing the thermostats to provide comfortable working temperatures to all spaces within the building. It has not yet been determined if the proposed simple solutions to this challenge will be effective. Further, it has not yet been determined whether the cost of any correction will be covered under warranty. It may be recommended that a small portion of the surplus funds be allocated to resolving this item. Other than this minor deficiency, it appears at this time that all other systems are working well.

CONCLUSION

The projected overall cost of the project is \$14.50 Million subject to any further allocation of surplus funding.

SUPPORTING DOCUMENTATION

Appendix 1 - SMB Building Construction Costs

Appendix 2 - Site Servicing and Rehabilitation Costs

Appendix 3 - Strathmore Commons and North Kinsmen Improvements

Appendix 4 - Soft Costs and FF&E

Appendix 5 - Summary Spreadsheet

REVIEWED & APPROVED BY D. LAGORE