
Amending Agreement for Green Bridge Landscaping and Linear Park Consulting Services – Hatch Mott MacDonald

Recommendation

That the Standing Policy Committee on Finance recommend to City Council:

1. That Saskatoon Land enter into an amending agreement to the existing Hatch Mott MacDonald engineering services agreement for the amount of \$32,496.49 (excluding GST), for services regarding Contract No.13-0062, McOrmond Drive Green Bridge, and Contract No.15-0069 Linear Park Landscaping;
2. That the Administration be given approval to exceed 25% of the original fee schedule value by the percentage set out in this report; and
3. That the City Solicitor be requested to prepare the appropriate agreement and that His Worship the Mayor and the City Clerk be authorized to execute the agreement under the Corporate Seal.

Topic and Purpose

The purpose of this report is to obtain City Council approval to enter into an amending agreement with Hatch Mott MacDonald who is the engineering and landscape consultant for the McOrmond Drive Green Bridge and Linear Park Landscaping. The amending agreement will result in the fee schedule exceeding 25% of the original contract value.

Report Highlights

1. Scope changes requested by the Administration and schedule extensions requested by the Green Bridge contractor, Innovative Civil Constructors Inc. (ICCI), have resulted in a need to exceed the original fee schedule for engineering services on both projects.
2. The Administration is requesting City Council approval to add an additional \$32,496.49 to the HMM fee schedule for engineering services.
3. The Administration is requesting approval to exceed the original contract value for engineering services from HMM by up to 38% to ensure the completion of the projects.

Strategic Goal

This report supports the long-term strategy of increasing revenue sources and reducing reliance on residential property taxes and the four-year priority of developing funding strategies related to new capital expenditures under the Strategic Goal of Asset and Financial Sustainability.

Background

Hatch Mott MacDonald (HMM) was hired on May 31, 2013 through a Request for Proposals as the general consultant to complete the detailed design, detailed tender documents, contract administration, and construction management for the Green Bridge project including the landscaping of the bridge and adjacent linear parks. Construction of the Green Bridge structure (Contract No. 13-0062) was substantially completed in 2015. Work on the adjacent linear parks was awarded to Wilco and is currently underway. HMM's original consultant fee was \$295,000.

Report

Contract Extensions to Date

Since entering into the Engineering Services Agreement with HMM, there have been six approved change orders totalling \$66,905 which equals 22.7% of the original contract between HMM and the City of Saskatoon (City). The following scope changes and delays on the Green Bridge project have resulted in contract extensions to date:

- At the detailed design and tender phase of the project, it became apparent that the best way to proceed was to tender the Green Bridge structure and the landscaping component as two separate contracts. It was determined that one contract for both items would be quite complex and by splitting the contracts, there would be an increased probability to obtain favourable pricing overall. This resulted in additional engineering services to tender and administer both contracts.
- To aid in sales of the lots backing the linear park portion of Richards Park, Saskatoon Land extended the scope of park landscaping (Contract No. 15-0069) to include the entire linear park portion of Richards Park.
- HMM's engineering services fee budget was also strained due to quality control issues and significant schedule extensions requested by the contractor. This resulted in significant out of scope person hours. At the substantial construction completion stage of the bridge structure, the City, was able to recoup \$30,000 as liquidated damages from ICCI for delays incurred. The liquidated damages were negotiated to partially offset additional consulting costs beyond the previous change orders.

HMM Change Order No. 7

An additional engineering services cost from HMM in the amount of \$32,496.49 is required to complete the project. Approval of this change would result in the contract extensions equalling 33.7% of the original contract.

Administrative Policy No. A02-027, Corporate Purchasing Procedure, Section 10.2 states:

“In any event, if all contract extensions cumulatively exceed 25% of the original contract price, the contract extension must be approved by Council.”

The Administration is seeking City Council approval as the additional costs exceed 25% of the original contract value.

Unforeseen Future Minor Scope Changes

Landscape Contract No.15-0069 is underway. Scope changes to the construction contract are not expected but some minor unforeseen changes may occur which could potentially necessitate additional consulting contract extensions. Therefore, out of an abundance of caution, the Administration is requesting permission to exceed the original contract fee schedule for the HMM matter by up to 38%.

Options to the Recommendation

There are no other viable options for compensating HMM for unforeseen out of scope work regarding these projects.

Public and/or Stakeholder Involvement

Public and/or stakeholder involvement is not required.

Financial Implications

There is sufficient funding available in Capital Project No. 1405-5 - Land Development Evergreen, to cover the increased costs of the engineering services.

Of the requested fee increase, \$30,000 has been recouped through liquidated damages that the City has received from ICCI.

Other Considerations/Implications

There are no policy, environmental, privacy, or CPTED implications or considerations and a communication plan is not required.

Due Date for Follow-up and/or Project Completion

The Green Bridge structure, landscaping, and linear park landscaping will be completed in October 2016.

Public Notice

Public Notice pursuant to Section 3 of Policy No. C01-021, Public Notice Policy, is not required.

Report Approval

Written by: Derek Thompson, Land Development Project Manager
Reviewed by: Frank Long, Director of Saskatoon Land
Approved by: Shelley Sutherland, Acting General Manager, Asset & Financial Management Department