

## **Budget Adjustment Request - Capital Project P.01460 - Land Development - Arterial Road - Neault Road**

### **ISSUE**

This report is to seek approval to advance the timing of funds currently approved in the Capital Budget for year 2023 to 2022 for a portion of the work within Capital Project P.01460 – Land Development – Arterial Road – Neault Road (Capital Project P.01460). The advancement of funds will allow for the complete scope of work to be tendered in 2022 for Contract No. 22-0001 - Neault Road Area Grading, Storm Sewer, and Roadways Construction (Contract No. 22-0001) to include an additional portion of construction from Kensington Gate West to 22<sup>nd</sup> Street West.

### **RECOMMENDATION**

1. That City Council approve a budget adjustment in the amount of \$5,549,000 to the 2022 budget year from 2023 Capital Project P.01460-01 – Land Development – Arterial Road – Neault Road – 22<sup>nd</sup> Street – Kensington Gate West; and
2. That the budget adjustment be funded from the Arterial Road Reserve.

### **BACKGROUND**

Over the next four-to-six years, under Capital Project P.01460, Neault Road from 22<sup>nd</sup> Street to Claypool Drive is planned for construction from its current rural cross section to an urban four-lane cross section. Construction is required to address ongoing roadway maintenance concerns, traffic/pedestrian safety issues, and support ongoing development of the Blairmore Sector. The construction work will be split into multiple phases over a number of construction seasons.

Contract No. 22-0001 includes the first phase of this development, composed of area grading, storm sewer installation, and construction of the southbound lanes between 22<sup>nd</sup> Street and 33<sup>rd</sup> Street. Funding is required in 2022 from both Capital Project P.01460.01 (Neault Road – 22<sup>nd</sup> Street to Kensington Gate West) and Capital Project P.01460.02 (Neault Road – Kensington Gate West to 33<sup>rd</sup> Street) for this contract to proceed.

### **DISCUSSION/ANALYSIS**

#### **Project Overview and Scope of Work**

The overall scope of work to be completed under Contract No. 22-0001 will consist of 2.60 km of roadway construction, 1.25 km of asphalt pathway construction, 150,000 cubic metres of area grading, and 1.60 km of storm sewer installation. This work is scheduled to occur during the 2022 and 2023 construction seasons under a single contract.

### Project Schedule

The construction of the segment of Neault Road between 22<sup>nd</sup> Street and Kensington Gate West was originally scheduled to occur in 2023 under a separate contract. After further evaluation by the project team, it was proposed to complete all the construction work required on Neault Road from 22<sup>nd</sup> Street to 33<sup>rd</sup> Street under one contract that would span the 2022 and 2023 construction seasons. Combining the two contracts into one is proposed to gain efficiencies during the planning, tendering, and construction phases of the project. Reducing the number of phases will also minimize disruptions to the public during construction, as Neault Road is a heavily used connection between Highways 7, 14, and 16.

### **FINANCIAL IMPLICATIONS**

Currently, Capital Project P.01460.01 has an allocation of \$5,549,000 for the segment of Neault Road between 22<sup>nd</sup> Street and Kensington Gate West in 2023. This amount is to cover all aspects of this portion of the overall project, including internal costs (design work, engineering, inspection, testing services, and administration costs), construction, contingency, and tax. The funding of this segment of work is from the Arterial Road Reserve which is adequately funded to advance this work to the year 2022. The recommended budget adjustment will not impact the mill rate.

If the funds in Capital Project P.01460.01 are reallocated to the 2022 budget, there will be sufficient funding available to proceed with the complete scope of work for Contract No. 22-0001 to be tendered in 2022 for construction in 2022 and 2023.

### **OTHER IMPLICATIONS**

There are no privacy, legal, social, or environmental implications identified.

### **NEXT STEPS**

Procurement documents are being prepared for Contract No. 22-0001, with the release of a Request for Quotations pending City Council reporting and approval.

### **Report Approval**

Written by:	Daryl Schmidt, Land Development Manager, Construction and Design
Reviewed by:	Matt Jurkiewicz, Director of Construction and Design
Approved by:	Terry Schmidt, General Manager, Transportation and Construction