

## **Budget Adjustment Request – Capital Projects P.1416.06 and P.1416.07 – Land Development – Lift Station and Force Main – Hampton Village Business Park**

### **ISSUE**

This report is to seek approval to advance the timing of a portion of the funds currently planned in the 2024 Capital Budget to 2022 within Capital Project P.01416 – Land Development – Trunk Sewers – Hampton Village. The advancement of funds will allow the completion of the design and construction engineering phase for the lift station and sanitary force main within the Hampton Village Business Park.

### **RECOMMENDATION**

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

1. That the advancement of \$1,144,800 to the 2022 budget year from 2024 for Capital Project P.01416 – Land Development – Trunk Sewers – Hampton Village be approved; and
2. That the budget advancement be funded from the Lift Station Reserve and the Trunk Sewer Reserve.

### **BACKGROUND**

Capital Project P.01416 – Land Development – Trunk Sewers – Hampton Village is the main project that will be funding the construction of the offsite services within the Hampton Village Business Park over several years. This capital project has a number of sub project components including a sanitary sewer lift station and force main, sanitary trunk sewers, outlet storm trunk sewer and a storm pond.

Currently, the project is budgeted in 2022 for pre-design work with the bulk of the main construction expenditures planned in 2024. Early in 2022, Mamawi Holdings Corporation, a developer with an approved servicing agreement in the Hampton Village Business Park area, submitted a required letter of credit and invoked a clause within their servicing agreement requesting that the construction be accelerated to allow for them to proceed with development and meet property demand. The project will be split into multiple phases over several seasons and the City of Saskatoon (City) will be procuring the construction of the municipal offsite services.

### **DISCUSSION/ANALYSIS**

#### Project Overview and Scope of Work

To provide sanitary sewer services for the Hampton Village Business Park, design and construction of a new lift station and force main is required. The planned location for the lift station, as well as the proposed routing of the force main, can be seen on the Project Site Plan (Appendix 1).

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Conceptual studies for the Hampton Village Business Park show that the new lift station will be required to provide 132.3 L/s of pumping capacity for the area and that a new force main will be required for the lift station. Surrounding area sanitary infrastructure, including existing sanitary trunks, force mains, and lift stations are at capacity, which has resulted in the requirement to route the force main from the Hampton Village Business Park approximately 4,650 meters to a sanitary trunk located in G.W. Archibald Park.

The overall scope of work for this portion of the project includes designing and constructing a new lift station and force main for the Hampton Village Business Park. An external consultant will be procured to complete the detailed design for both the lift station and force main. Lift stations are typically designed by external consultants and force mains are typically designed internally by the City engineering team; however, due to the complexity, length, schedule, and magnitude of this force main design, a third-party designer is warranted. The need for this budget adjustment is to allow for the award of the consulting engineering services contract for the lift station and force main.

**FINANCIAL IMPLICATIONS**

Existing funding within Capital Project P.01416.06 – Lift Station D – Industrial and Capital Project P.01416.07 – Force Main Ef-Hampton-58th St-Industrial will continue to be used for pre-design and internal costs. Based on recently completed lift station and force main projects, the updated cost estimate to complete the engineering scope of work for the project is as follows:

	P.01416.06 Lift Station	P.01416.07 Force Main
Projected Engineering Services	\$600,000	\$300,000
Contingency (20%)	<u>120,000</u>	<u>60,000</u>
Subtotal	\$720,000	\$360,000
GST (5%)	36,000	18,000
PST (6%)	<u>43,200</u>	<u>21,600</u>
Gross Project Costs	\$799,200	\$399,600
Less: GST Rebate	<u>(36,000)</u>	<u>(18,000)</u>
Net Budget Request	\$763,200	\$381,600

The request for Capital Project P.01416.06 will be funded by the Lift Station Reserve and Capital Project P.01416.07 will be funded from the Trunk Sewer Reserve. The above estimated costs include both design engineering costs as well as construction engineering services that will be carried out throughout construction by the consultant. An estimated contingency of 20% is the result of market and inflation uncertainty. There is no impact to the mill rate for this budget adjustment as it is funded from development levies.

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Construction for both the lift station and force main is estimated to cost \$19,100,000 and is subject to change in value depending on the overall final design of the project and market conditions at the time of construction procurement. A future budget adjustment will be required once a more accurate cost estimate can be performed for the construction of the lift station and force main.

**OTHER IMPLICATIONS**

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

**NEXT STEPS**

Procurement documents are being prepared for this phase of development, with the release of a request for a consulting services contract occurring subject to City Council approval of the budget adjustment.

**APPENDICES**

1. Project Site Plan

**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

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