
Budget Adjustment Request #2 - Capital Project #625-22 – Trunk Sewer – NE Sector – Lift Station to Central Avenue Trunk

Recommendation

That the Standing Policy Committee on Environment, Utilities and Corporate Services recommend to City Council:

That a budget adjustment of \$451,400 to Capital Project #625-22 – Trunk Sewer – Northeast Sector – MI – Force Main – UH2 – Lift Station to Central Avenue Trunk funded from the Trunk Sewer Reserve be approved.

Topic and Purpose

The purpose of this report is to request City Council approval for a budget adjustment to Capital Project #625-22 – Trunk Sewer – Northeast Sector – MI – UH2 – Lift Station to Central Avenue funded by the Trunk Sewer Reserve.

Report Highlights

1. The completion of Capital Project #625-22 in 2015 was identified as a priority to enable Aspen Ridge lot sales.
2. Capital Project #625-22 requires an increase in funding allocation to finalize payments on Contract #13-0643 and to complete the project. The final payments are for services that were in dispute, and for purchase of force main materials.

Strategic Goals

The recommendations support the Strategic Goals of Sustainable Growth as the work done under this contract will provide sanitary and water main infrastructure.

The recommendations also support the Strategic Goal of Quality of Life as the installation of a new force main sewer with a vortex flow structure (controls odour release) will help alleviate odour issues that area residents could otherwise experience.

Background

In 2013, the City awarded Contract #13-0643, Aspen Ridge Force Main. The scope of the work was to install a force main along Central Avenue to the newly installed lift station in Aspen Ridge. Due to contractor issues regarding performance and safety, a significant portion of the work from Contract #13-0643 was removed from the contractor and tendered with the work in Contract #14-0058. The Contractor continued to have difficulties on the remaining scope of work on Contract #13-0643 which resulted in a dispute of payment. The force main is now repaired, completed and fully commissioned.

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Report

Scope of Work

Since the completion of the force main in late 2015, the disputed services and materials have been resolved.

Contract #14-0058 required a budget adjustment which was requested in a separate report that went to City Council on May 24, 2016. (Attachment 1). When final costs on the project were calculated, they did not take into account outstanding charges in dispute on Contract #13-0643, while Contract #14-0058 was paid out in full. This has resulted in a funding deficit in Capital Project #625-22 – Trunk Sewer – Northeast Sector – Lift Station to Central Avenue Trunk.

Financial Implications

Capital Project #625-22 Force Main, Lift Station to Central Avenue Trunk, Installation was approved for funding in the amount of \$3,742,000. An additional \$868,000 was approved by City Council on May 24, 2016, which was required to remediate and complete the construction of the force main. Completion of the project including dispute resolution with the original contractor is expected to result in an additional \$430,000.

Total costs of this project are summarized below:

Project #625-22 Approved Funding	\$3,742,000
Budget Adjustment Approved on May 24, 2016	<u>868,000</u>
Adjusted Funding Available	<u>\$4,610,000</u>
Expenditures to Date	\$4,632,000
Contractor Settlement	358,000
Additional Project Costs to Complete	<u>72,000</u>
Total Expected Expenditures	<u><u>\$5,062,000</u></u>
Budget Shortfall	<u>\$ 430,000</u>

There is sufficient funding in the overall Land Development Prepaid Service Reserve to fund this request.

Even with this overage, and taking into account the previous budget adjustment of \$867,510.00, the total cost for Project #625-22 is less than the original Engineers estimate of \$5.3M.

Environmental Implications

The project has been executed in full consultation with Meewasin Valley Authority (MVA). All MVA requirements were monitored during construction by City staff. If any design/construction changes affected MVA land/requirements, MVA representatives were consulted. Therefore, the minimum environmental impact possible has been achieved.

Other Considerations/Implications

There are no options, public and/or stakeholder involvement, policy, environmental, privacy, or CPTED implications or considerations.

Due Date for Follow-up and/or Project Completion

Contract #13-0643, Aspen Ridge, was halted on September 16, 2014, because of inadequate Contractor performance. Contract items in dispute have been resolved (between City and Contractor) and it is the goal to make final payment by the end of March, 2017.

Public Notice

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

Attachment

1. Budget Adjustment Request – Capital Project #625-22 – Trunk Sewer – NE Sector – Lift Station to Central Avenue Trunk

Report Approval

Written by: Andy McMeekin, Project Engineer, Construction & Design
Reviewed by: Matt Jurkiewicz, Senior Project Management Engineer,
Construction & Design
Reviewed by: Celene Anger, Director of Construction & Design
Approved by: Jeff Jorgenson, General Manager, Transportation & Utilities

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