
Budget Adjustment Request - 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:

1. That the Administration be given approval for Contract #14-0058, Central Avenue and Fedoruk Drive to exceed 25% of the contract value; and
2. That a budget increase of \$868,000 for additional funding from the Trunk Sewer Reserve for Capital Project #625-22 – Trunk Sewer – Northeast Sector – MI – Force Main – UH2 – Lift Station to Central Avenue Trunk be approved.

Topic and Purpose

The purpose of this report is to request approval to exceed 25% of the contract value and 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 to be 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 complete Contract #14-0058. Contract completion is scheduled for the 2016 construction season.
3. Incomplete work from Contract #13-0643, Aspen Ridge Force Main, was transferred to Contract #14-0058, Central Avenue and Fedoruk Drive.

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

Contractor failure on the Aspen Ridge Force Main resulted in the Administration removing incomplete work from that contract and adding the work to another contract.

Report

Scope of Work

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.

At that time, Acadia Construction was working on an adjacent contract, Contract #14-0058, Central Avenue and Fedoruk Drive. Acadia Construction was approached regarding completion of the remaining work on Contract #13-0643. Completion of the Aspen Ridge Force Main was identified as a corporate priority. Acadia Construction accepted this work under a contract extension to Contract #14-0058. The force main is now repaired, completed and fully commissioned.

Communication Plan

Due to the complexity and delays associated with this project, and the expression of concern from residents, a communication plan would be beneficial. In addition to construction notices in advance of work, this plan could include a letter to the community providing basic project history. This will help residents feel more included in the process and aware of the project's progress.

Financial Implications

Details of the estimated project cost that pertain to the contract and individual projects are as follows:

Contract #14-0058 - Central Avenue and Fedoruk Drive:

Original Contract	\$4,578,683.80
Contingency	650,000.00
GST	<u>261,434.19</u>
Total Original Contract Cost	\$5,490,117.99
GST Rebate	<u>261,434.19</u>
Net Cost to City	<u>\$5,228,683.80</u>

Estimated Contract Value Upon Completion:

Estimated Final Contract Cost	\$6,523,608.45
GST	<u>326,180.42</u>
Total Contract Cost	\$6,849,788.87
GST Rebate	<u>326,180.42</u>
Net Cost to City	<u>\$6,523,608.45</u>

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Contract Cost Analysis:

Anticipated Final Cost	\$6,523,608.45
Original Contract Cost	<u>5,228,683.80</u>
Cost Over the Original Contract	<u><u>-\$1,294,924.65</u></u>

The above shows that Contract #14-0058, Central Avenue and Fedoruk Drive, is projected to be 24.78% over the original contract award total. Administration requires Council approval to exceed 25% of an original contract amount, so is seeking formal approval in the event the final cost does exceed 25%.

Regarding the budget for Project #625-22 Force Main, Lift Station to Central Avenue Trunk Installation, additional funding is required as follows:

Current Project Charges (Force Main only)	\$4,531,510.00
Further Costs to Completion	<u>78,000.00</u>
Total Estimated Cost	\$4,609,510.00
Budget Allocated from Trunk Sewer Reserve	<u>3,742,000.00</u>
Budget Adjustment Required	<u><u>-\$ 867,510.00</u></u>

Even with this overage, the total cost for Project #625-22 will be less than the original estimate of \$5.3 Million. This project is funded from development levies.

A budget adjustment to Capital Project #625-22 is requested to be funded from the Trunk Sewer Reserve.

Environmental Implications

The project has been executed in full consultation with Meewasin Valley Authority. 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 #14-0058, Central Avenue and Fedoruk Drive, will be completed in late 2016.

Public Notice

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

Report Approval

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