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## **Request to Exceed 25% of Contract Value for 21<sup>st</sup> Street East (Phase 2) - Streetscape Rehabilitation Project**

### **Recommendation**

That the Standing Policy Committee on Planning, Development and Community Services recommend to City Council that the Administration's request for Contract No. 17-0222 to exceed 25% of the contract value, by adding up to \$200,000 to the contract, be approved.

### **Topic and Purpose**

The purpose of this report is to request approval for Contract No. 17-0222 to exceed 25% of the contract value. Costs were exceeded due to emergency waterproofing measures for adjacent buildings, and unexpected winter charges due to construction during cold weather.

### **Report Highlights**

1. Streetscaping efforts were needed on 21<sup>st</sup> Street East due to aging infrastructure.
2. Phase 2 construction required waterproofing measures to be installed, and the associated delay led to the addition of winter costs.
3. Funding is available in the approved capital budget for the Streetscape Rehabilitation Project.

### **Strategic Goals**

This report supports the City of Saskatoon's (City) Strategic Goal of Economic Diversity and Prosperity by investing in infrastructure to attract and support businesses. The report further supports the Strategic Goal of Asset and Financial Sustainability by maintaining civic infrastructure.

### **Background**

The Urban Design Program works closely with the Business Improvement Districts to provide capital improvements, animation features, and street furniture to provide a high level of amenity in these key commercial areas of the city. The program is funded through a portion of parking meter revenue; therefore, revenue generated in these areas is used to provide public improvements. The Urban Design Program submits annual capital budget reports to City Council for any significant expenditures.

As part of the 2016, 2017, and 2018 capital budget process, City Council approved the expenditure of \$4 million, in total, from the Streetscape – BID Reserve on the Streetscape Rehabilitation Project, included in Capital Budget No. 2162 – CY – Urban Design - BIDs. The project included the rejuvenation of aging streetscape infrastructure on 21<sup>st</sup> Street East, 2<sup>nd</sup> Avenue, and 20<sup>th</sup> Street West. The first street to receive treatment was 21<sup>st</sup> Street East. It was anticipated that 21<sup>st</sup> Street East would require a

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minimum of \$2 million of the total budget due to the scale of the work involved and to maintain its status as one of the city's most prominent streets.

### **Report**

#### **Streetscape Improvements are Needed Due to Aging Infrastructure**

Downtown's 21<sup>st</sup> Street East is one of the city's most recognizable streets. After a quarter century of service, the streetscape elements, including the concrete pavers and irrigation system, were beginning to fail and were in need of attention. The streetscape improvements along 21<sup>st</sup> Street East include new paved amenity strips, a new irrigation system for the elm trees, new hose bibs to aid in watering flowerpots, new drain curbs to assist with tree watering, new public art, and additional decorative lights. Aging amenities on 21<sup>st</sup> Street East, including benches, garbage cans, poster boards, and tree grates, will be replaced in 2018 when the construction work is completed.

Work for 21<sup>st</sup> Street East was divided into two phases in order to spread the financing over two years (2016 and 2017). Phase 1 included the area from Spadina Crescent to 2<sup>nd</sup> Avenue. The Phase 1 tender was issued in September of 2016 and was awarded with a contract value of \$692,404.72, including a 25% contingency. Construction occurred during May and September of 2017 and was completed on time and on budget.

Phase 2 included the area along 21<sup>st</sup> Street East from 2<sup>nd</sup> Avenue to 1<sup>st</sup> Avenue. The project was tendered in January of 2017, and in May of 2017 was awarded to ULS Maintenance and Landscaping Inc. with a contract value of \$391,773.24, including a 25% contingency. Construction occurred from mid-August of 2017 to early November of 2017.

#### **Phase 2 Construction Required Waterproofing and Winter Costs**

During the construction of Phase 2 of the 21<sup>st</sup> Street East - Streetscape Rehabilitation Project, excavation work was being done to install the irrigation system and provide improved soil for the elm trees. The excavation revealed foundational issues on some adjacent buildings, and rainwater began penetrating one of these buildings. Emergency efforts began immediately by the crew working on the project (ULS Maintenance and Landscaping Inc.) to contain the situation. Waterproofing options were explored by city staff to help protect from future occurrences. The waterproofing measures included the installation of a waterproof membrane adjacent to several buildings on both sides of 21<sup>st</sup> Street East, and a curb drain was closed off to minimize rain water effects along portions of the street. Because it was an emergency and the risk for further damage was high, the on-site crew from ULS Maintenance and Landscaping Inc. performed the waterproofing work. This work added approximately two extra weeks to the project. This additional work resulted in the completion date being pushed into November, adding costs to the project to permit work to occur during cold conditions. Both the emergency work and colder temperatures added to the cost of the project.

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Under current procurement policies, contracts are not permitted to exceed the contract cost by over 25% without City Council approval.

### Funding Available in the Approved Capital Budget

The cost of the work related to the waterproofing measures and associated winter costs was \$106,516.28, which put the project over budget. The Administration is requesting that the contract value for 21<sup>st</sup> Street East be increased by \$200,000 to cover the unexpected costs and ensure remaining work can be completed in a timely manner. This level of funding would also provide a contingency fund in case additional emergencies occur. Sufficient funding is available in the approved capital budget to support this request.

It should be noted that by adding funds to the contract for the emergency waterproofing and related winter costs, it will technically be considered a sole source to ULS Maintenance and Landscaping Inc. Due to the nature of the emergency work and the need to complete work in the area in a timely manner, the Administration believed this was the most prudent course of action.

### **Options to the Recommendation**

City Council could decline the request to exceed the 25% of the contract value. However, this would mean the work on 21<sup>st</sup> Street East would not be completed in 2018, and would leave the street in an incomplete state for at least one year while a new capital budget submission is prepared.

### **Policy Considerations**

Section 4.3 of Policy No. C02-030, Purchase of Goods, Services and Work, permits a sole source procurement in an emergency situation that could threaten public or private property.

### **Public and/or Stakeholder Involvement**

The Downtown Business Improvement District was advised of the need to increase the contract value and seek City Council approval.

### **Financial Implications**

Funding source for the Streetscape Rehabilitation Project is the City's Streetscape - BID Reserve, which is funded from a portion of parking meter revenue. Over three years (2016 to 2018), a total of \$4 million from the Streetscape – BID Reserve was dedicated to the Streetscape Rehabilitation Project (Capital Budget No. 2162). The total value of the two-phase contract for 21<sup>st</sup> Street East is \$1,084,177. The Administration is recommending that an additional \$200,000 be dedicated to Phase 2 of the 21<sup>st</sup> Street East contract.

Other expenditures on this project outside of this contract include the purchase of new street furniture, a lighting display, bike racks, road closures, and parking costs. These costs, along with the two-phase contract and the requested increase for Phase 2,

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leaves \$2,181,390 in the capital budget to be dedicated to the remaining work in the Streetscape Rehabilitation Project. This level of funding is sufficient to complete the work on 2<sup>nd</sup> Avenue and 20<sup>th</sup> Street West, and will not impact the scope of work on these streets as no major repairs are needed as was necessary for 21<sup>st</sup> Street East.

### **Other Considerations/Implications**

There are no environmental, privacy, or CPTED implications or considerations; a communication plan is not required at this time.

### **Due Date for Follow-up and/or Project Completion**

If approved by City Council, it is anticipated that the remaining construction work would be completed in the summer of 2018. Although a separate project, the furniture installations would then proceed during the remainder of the summer months and be completed in fall of 2018.

### **Public Notice**

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

### **Report Approval**

Written by: Paul Whitenect, Manager, Neighbourhood Planning Section  
Reviewed by: Lesley Anderson, Director of Planning and Development  
Approved by: Randy Grauer, General Manager, Community Services Department

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