



Item
Meeting 2016 Apr 28

COMMITTEE REPORT

TO: CHAIR AND MEMBERS FINANCIAL MANAGEMENT COMMITTEE **DATE:** 2016 April 20

FROM: DIRECTOR ENGINEERING **FILE:** 35000-40
Reference: Contract #2015-11/2015-38

SUBJECT: 2015 INFRASTRUCTURE PROJECTS – REQUEST FOR ADDITIONAL FUNDING

PURPOSE: To seek Council approval for additional funding on Infrastructure projects for change orders and higher than anticipated contract values.

RECOMMENDATION:

1. **THAT** the Financial Management Committee recommend Council approve the capital expenditure of \$1,385,000 for Capital Infrastructure projects outlined in this report.
2. **THAT** Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$1,449,720 (inclusive of GST) to finance the capital programs as outlined in this report.

REPORT

In 2015, Council approved funding and contract award of the 2015 Streetlight and Sidewalk Program and the 2015 Storm Water Management Program. Both programs experienced unexpected work effort resulting in increased costs. Additionally, Council approved Streetlight Conversion and Dyke projects in the 2016 Provisional plan, and detailed estimates indicate that additional funding is required to complete the planned work. In both cases, additional Capital Reserve funds are available to fund these projects.

1.0 2015 Streetlight and Sidewalk Program (ERA.0051) \$85,000

A bylaw in the amount of \$900,000 was approved by Council 2015 February 16 for the 2015 Streetlight and Sidewalk Program and a contract was awarded to Action Holding Ltd. 2015 July 06 in the amount of \$725,762.00 plus GST. The City requires a scope revision for this contract for the supply and installation of a 3-phase pad-mounted transformer on Gaglardi Way for new LED street lighting to accommodate City Zoning Bylaw 6336.

Additional funding in the amount of \$85,000.00 plus GST is required to complete this work. The cumulative contract total value will be \$810,761.45 plus GST.

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2.0 2015 Storm Water Management (ELD.0012) \$950,000

A bylaw was approved 2015 May 25 which applied funding to the overall project in the amount of \$850,000. Contract #2015-38 with A.C. Paving Company Ltd. in the amount of \$502,887, including GST was awarded on 2015 August 24 for the work on Stoney Creek Tributary 3 Culvert and Bank Rehabilitation.

On March 7, Council approved change orders on the contract in the amount of \$275,000 plus GST.

The City also awarded Engineering Agreement E10/2015 to ISL Engineering for design and contract administration services for this project with an approved budget of \$72,187. As a result of the failure and clean-up work, a scope revision to the Engineering Agreement is also required in the amount of \$119,767 plus GST.

The 2015 Storm Water Management mask (ELD.0012) was planned and funded to accommodate the work on Stoney Creek as a sole project. However, due to unforeseen circumstances, the remediation of the sink hole on Production way in November 2015 was also charged to this mask, causing the 2015 Storm Water Management program to be overspent by \$552,000. In order to appropriately fund the change orders on Stoney Creek (\$395,000) and to fully fund the emergency Production Way culvert replacement (\$552,000), the mask requires additional funding in the amount of \$950,000.

3.0 2016 LED Streetlight Conversion (EMH.0012) \$100,000

The 2016-2020 Capital Plan contains funding for the 2016 LED Streetlight Conversion project in the amount of \$1.7 Million. The project will replace existing HPS fixtures in the southwest quadrant of the City. The new fixtures are more energy efficient and last much longer than existing fixtures. Although the capital cost of the LED fixtures are more expensive, the energy and maintenance savings is estimated to provide a six year payback assuming increasing electricity costs and BC Hydro rebates.

Updated detailed estimates obtained for this work project a total cost of \$1.8 Million. To carry out this program as planned, additional funding in the amount of \$100,000 is required.

4.0 Dyke Construction – Reach 8 (ELD.0019) \$250,000

The 2016-2020 Capital Plan contains funding for work on Dyke Reach 8 in the amount of \$2,250,000, including \$150,000 of previously approved funding from 2016. The project is intended to improve flood protection and improve public access along the unpaved sections of previously constructed Fraser River foreshore dykes.

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Results of Request for Proposals (RFP) for Engineering agreements have come back to the City and are higher than the estimated amount of \$250,000; as the proposed successful RFP has a value of \$352,000. To award the Engineering Agreement to proceed with design work, and include funding for city forces overhead, an additional \$250,000 is required.

RECOMMENDATION

It is recommended that Council approve the capital expenditure of \$1,385,000 for Infrastructure projects, as outlined in this report and that Council authorize staff to bring down a Capital Reserves Bylaw in the amount of \$1,449,720 (inclusive of GST) to finance the capital programs as outlined in this report.



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DIRECTOR ENGINEERING

FV/cp

Copied: City Manager
Director Finance
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