

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 – GILMORE NORTH CONTRACT & BOUNDARY PUMP STATION

PURPOSE: To seek Council approval for additional funding for change orders to 2015 Infrastructure Upgrade Programs - Gilmore North & Boundary Pump Station.

RECOMMENDATION:

1. **THAT** The Financial Management Committee recommend Council approve the capital expenditure of \$739,100 for 2015 Capital Infrastructure projects outlined in this report.
2. **THAT** Council authorize staff to fund from the Sanitary Sewer Capital Fund the amount of \$773,600 (inclusive of GST) to finance the capital programs as outlined in this report.

REPORT

In 2015, Council approved funding and contract awards of the Gilmore North and Boundary Pump Station infrastructure projects. Both projects experienced unexpected work effort resulting in increased costs. In both cases, additional Capital Reserve funds are available to fund these projects.

1.0 Sanitary Main Renewals – Gilmore North (EKA.0013) \$598,100

Bylaws in the amount of \$8.95 Million were approved by Council for sewer projects in February and September of 2015, which includes work on Gilmore North, and a contract was awarded to Targa Contracting in June 2015 in the amount of \$4.247 Million, inclusive of GST.

The following issues have affected the cost of construction:

- The major component of the increase is related to underground work around the five large diameter steel Metro Vancouver watermains which run down Ingleton Ave from the Burnaby Heights Reservoir and across Edinburgh St. As part of the sewer separation work on Edinburgh Street, a new six metre deep storm sewer was installed under the five Metro Vancouver watermains. During the installation of this section of storm sewer another Metro Vancouver watermain located on Edinburgh St was found to be in conflict with the proposed storm sewer alignment. To resolve this conflict a major change to the storm sewer design was required and resulted in the contractor hiring a directional drilling contractor from Alberta to drill a 30 metre long, 600 mm diameter tunnel to allow

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for the installation of a 525 mm HDPE pipe to clear this watermain. This work represents 87% of the contract cost increase.

- The balance of the contract increase is related to other extra work items to the contract. These items represent 13% of the cost increase.

The total additional construction cost is a combination of difficult sub-surface ground conditions, inaccurate Metro Vancouver record drawings and other extra work and is projected to be \$477,700.

The City also awarded an Engineering Agreement to ISL Engineering for design and contract administration services for this project in the amount of \$276,976 (inclusive of GST). As a result of the additional work, the City requires a scope revision for this contract in the amount of \$120,400.

The total additional construction cost is projected to be \$598,100.

2.0 Boundary Pump Station (EKB.0014) \$141,000

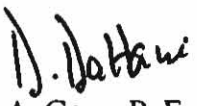
Bylaws in the amount of \$1.145 Million were approved by Council for this project in March and October of 2015 and a contract was awarded to Carver Construction Ltd. in November 2015 in the amount of \$1.201 Million, inclusive of GST.

- Power supply change from BC Hydro leading to design changes and associated construction costs including extra design time, a bypass pumping system and deep excavation have given rise to scope revisions to the original contract

Additional funding in the amount of \$141,000 plus GST is required to complete the project.

RECOMMENDATION

It is recommended that Council approve the capital expenditure of \$739,100 for 2015 Capital Infrastructure projects as outlined in this report and that Council authorize staff to fund from the Sanitary Sewer Capital Fund the amount of \$773,600 (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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