

**TO:** MAYOR & COUNCIL  
**FROM:** DEPUTY CHIEF ADMINISTRATIVE OFFICER AND CHIEF FINANCIAL OFFICER  
**SUBJECT:** **CI – 2022 STORM NETWORK EXPANSION**  
**PURPOSE:** To obtain Council approval to award a Contract Increase (CI) to include storm sewers and services for three (3) single-family properties.

## **RECOMMENDATION**

**THAT** a contract increase to Sandpiper Contracting LLP for an estimated total cost of \$616,299.00 including GST in the amount of \$29,348.00, as outlined in the June 19, 2023 Council Report titled “CI – 2022 Storm Network Expansion”, be approved; and

**THAT** final payment be based on the actual quantity of good and services delivered and unit prices as submitted.

## **CHIEF ADMINISTRATIVE OFFICER’S COMMENTS**

I concur with the recommendation of the Deputy Chief Administrative Officer and Chief Financial Officer.

### **1.0 POLICY SECTION**

The City’s Change Order Policy requires Council’s approval for change orders, which individually or when accumulated with prior change orders, increase the total value of the contract by \$1,000,000.00.

### **2.0 BACKGROUND**

On September 13, 2022, City Council awarded a contract to Sandpiper Contracting LLP for the 2022 Storm Network Expansion project for an estimated total of \$4,020,377.00 including GST in the amount of \$191,447.00.

Since the award of this contract, there have been approved change orders for a total value of \$3,831,199.00 including GST in the amount of \$182,438.00 for unfinished work due to performance issues and bankruptcy of the previous contractor. The work included storm service connections to single-family homeowners to alleviate the backlog, provide construction services for a separate non-market housing project and meet regulatory requirements.

### 3.0 GENERAL INFORMATION

This contract increase of \$616,299.00 including GST in the amount of \$29,348.00 is for additional work. The scope of work will include additional storm sewers at two (2) sites out of nineteen (19) site projects, bringing the total number of sites to twenty-one (21). One of the two sites will capture two redeveloping single-family properties. This additional storm sewer installation work will require additional roadworks such as reinstated driveways, new road and lane structures, and new asphalt curbs.

The total estimated contract value will be \$8,467,874.00 including GST in the amount of \$403,232.00.

<b>Contract History</b>	<b>Date</b>	<b>Accumulative Total Change (including GST)</b>
<b>Original Contract Award</b>	<b>September 2022</b>	<b>4,020,377.00</b>
Change Order #1	November 2022	182,611.00
Change Order #2	December 2022	2,901,510.00
Change Order #3	December 2022	124,457.00
Change Order #4	March 2023	3,430.00
Change Orders #5 to #7	May 2023	619,190.00
<b>Change Order #8</b>	<b>Pending</b>	<b>616,299.00</b>
<b>TOTAL</b>		<b>\$ 8,467,874.00</b>

City staff have reviewed the proposed change order and believe it appropriately addresses the City’s needs at a fair cost. The General Manager Engineering concurs with this recommendation.

### 4.0 COMMUNICATION AND COMMUNITY ENGAGEMENT

The Tender #199-07-22 2022 Storm Network (Attachment 1) was publically advertised. Upon closing, the City received a total of 2 submissions.

### 5.0 FINANCIAL CONSIDERATIONS

Funding is provided for this capital work within the 2023 – 2027 Financial Plan under WBS element ELA.8010 (\$587,000).

Respectfully submitted,  
 Noreen Kassam, Deputy Chief Administrative Officer and Chief Financial Officer

### ATTACHMENTS

Attachment 1 – Tender 199-07-22

### REPORT CONTRIBUTORS

This report was prepared by Steve Chan, Senior Buyer, and reviewed by Sophan Lum, Assistant Manager, Purchasing - Capital.