

Report to Council



Date: December 11, 2017
File: 1890-10,1880-06
To: City Manager
From: Alan Newcombe, Divisional Director, Infrastructure
Subject: Budget Adjustments Required for Saucier Avenue Water and Saucier Avenue Sanitary Replacement Projects (Richter to Ethel)
Report Prepared by: Brian Beach, Infrastructure Delivery Department Manager

Recommendation:

THAT Council receives for information, the report from the Infrastructure Division Director dated December 11, 2017 regarding the budget adjustments required for the Saucier Avenue Water Main and Sanitary Replacement projects.

AND THAT the 2017 Financial Plan be updated to reflect the transfer of \$150,000 from the Okanagan Avenue Water Replacement project to the Saucier Avenue Water Main Replacement project;

AND THAT the 2017 Financial Plan be updated to reflect the transfer of \$195,000 from the Airport Gravity Main By-Pass project to the Saucier Avenue Sanitary Replacement project;

AND FURTHER THAT Council authorize the additional expenditures totaling \$345,000 for the projects noted above.

Purpose:

To transfer budget from the identified 2017 capital projects, to meet financial commitments for the Saucier Avenue Water Main and Saucier Avenue Sewer Replacement projects.

Background:

Ethel Street Active Transportation Corridor – Phase 3 and Saucier Avenue Utility Improvements tender closed April 25, 2017 with only one bid received, approximately 18% above the available budget.

The Saucier Avenue utility projects were tendered together with the Ethel 3 ATC project due their close proximity and in an effort to increase the project size to make it more cost effective and more attractive to contractors.

A number of City capital projects have been delayed this past year due to market conditions, but it was determined by senior staff that this combined project with Ethel ATC Phase 3 was important to move forward in 2017.

Project staff were instructed to look for potential cost savings and scope reductions to reduce the budget shortfall. They have been successful to some degree but other contingency costs have eaten into those savings and other construction issues have materialized. The project is nearing completion and more accurate estimates of total projected costs are now available. The budget shortfall for the two projects is estimated at \$ 345,000.

The following budget transfers are required to meet current commitments.

Financial/Budgetary Considerations:

Summary of Budget Transfer Requests

Capital Project	Original Budget	Addition Required	Total Required
Saucier Avenue Water Main Replacement #325201W	\$ 280,000	\$ 150,000	\$ 430,000
Saucier Ave. Sanitary Replacement # 325201S	\$ 350,000	<u>\$ 195,000</u>	\$ 545,000
Estimated Total Transfers to Completed Project		\$ 345,000	

Notes for Budget Transfer Requests:

Saucier Ave. Water Main Replacement (\$150,000)

The Okanagan Boulevard Water Main Replacement project #3258 (budget \$200,000, remaining \$196,278) is being cancelled for 2017. This project needs to be re-scoped and will be brought forward for consideration with the 2019 Capital Budget. Therefore, \$150,000 of this budget will be transferred to the Saucier Avenue Water Main Replacement project. The remaining budget will be used for other water utility projects as detailed in a separate report.

Saucier Ave. Sanitary Replacement (\$195,000)

Airport Gravity Main By-Pass (Project # 3165) will begin construction this Winter and the new estimated budget to completion indicates a surplus is available for transfer. The original budget is \$4.23M and the new estimate is \$3.0M. Balance of the surplus budget will be returned to the sanitary utility account.

Internal Circulation:

Divisional Director, Infrastructure
Financial Planning Manager
Department Manager, Utilities Planning

Department Manager, Infrastructure Administration

Considerations not applicable to this report:

Personnel Implications:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

External Agency/Public Comments:

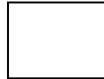
Communications Comments:

Alternate Recommendation:

Submitted by: Brian Beach,

Department Manager, Infrastructure Delivery

Approved for inclusion:



A. Newcombe, Divisional Director, Infrastructure

cc: Divisional Director, Infrastructure
Director, Financial Services
Financial Planning Manager
Department Manager, Transportation Planning
Department Manager, Utilities Planning
Department Manager, Infrastructure Administration