

Report to Council



Date: July 16, 2018

File: 1880-06

To: City Manager

From: Divisional Director, Infrastructure

Subject: Budget Adjustments Required for Sanitary Replacement Projects – Lane North of Fuller Ave, Lane North of Stockwell Ave, and Lane North of Martin Ave (Ethel to Gordon)
Report Prepared by: Janis Netzel, Senior Project Manager

Recommendation:

THAT Council receives for information, the report from the Infrastructure Division Director dated July 16, 2018 regarding the budget adjustments required for the Lane North of Fuller Sanitary Replacement, Lane North of Stockwell Sanitary Replacement and Lane North of Martin Sanitary Replacement;

AND THAT the 2018 Financial Plan be amended to reflect the addition of up to \$400,000 budget from the Sanitary Sewer Utility to the above mentioned Sanitary Replacement Capital projects;

AND FURTHER THAT Council authorize the additional expenditures totaling up to \$400,000 for these sanitary replacement projects as outlined in this report.

Purpose:

To transfer budget from the Sanitary Sewer Utility, to meet expected financial commitments for the Lane North of Fuller Sanitary Replacement, Lane North of Stockwell Sanitary Replacement and the Lane North of Martin Sanitary Replacement projects.

Background:

A number of City capital projects have experienced higher than anticipated tender submissions this past year, as local contractors are busy with development servicing and other capital works in the region. Tender pricing has risen as much 30% in some cases. As a result, cost estimates for current tenders being planned are higher than current available budgets. However, the projects are necessary to keep up with infrastructure renewal demands. These three sanitary sewer replacement projects will be tendered together as a package and will include a flexible completion schedule to best attract competitive tender pricing. City crews are not available to complete these projects due to higher priority commitments.

To proceed with the tender requisition, additional budget is being requested to meet the current tender cost estimate with increased contingency to reflect current industry cost escalation. Once the tender is awarded the amounts will be adjusted to reflect actual tender costs.

The budget shortfall for the three projects is estimated at \$400,000.

The following budget amendments are required to meet current projections.

Financial/Budgetary Considerations:

Summary of Budget Amendment Requests

Capital Project	2018 Current Budget	Addition Required
Lane North of Fuller Sanitary Replacement #3309	\$ 430,700	\$ 150,000
Lane North of Stockwell Sanitary Replacement #3310	\$ 435,040	\$ 150,000
Lane North of Martin Sanitary Replacement #3391	\$ 440,000	\$ 100,000
Estimated Max. Total Amendments to Complete Projects		\$ 400,000

This addition of up to \$400,000 of budget is requested to come from the Sanitary Sewer Utility operating surplus.

Internal Circulation:

Budget Supervisor
Divisional Director, Infrastructure
Infrastructure Administration Manager
Infrastructure Engineering Manager
Utilities Planning Manager

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