

Report to Council



Date: March 11, 2019
File: 1850-04
To: City Manager
From: Divisional Director, Infrastructure
Subject: Budget adjustment for Spencer Road Mill Creek Drainage Improvements
Report Prepared by Brian Beach, Infrastructure Delivery Department Manager

Recommendation:

THAT Council receives, for information, the report from the Infrastructure Divisional Director, dated March 11, 2019 regarding the Budget adjustment for Spencer Road Mill Creek Drainage Improvements;

AND THAT the 2019 Financial Plan be amended to include up to \$280,000 funded from capital drainage funds currently held in reserve.

Purpose:

To amend the 2019 Financial Plan to cover the unforeseen additional expenses for the Spencer Road Drainage Improvements Project.

Background:

The conceptual design and cost estimate for the Spencer Road Project was quickly formalized from a consultant report for a CEPF Structural Flood Mitigation grant application in Spring 2018. The City was successful in obtaining the maximum grant amount of \$750,000, and an additional \$270,000 was included in the 2019 budget to meet the conceptual cost estimate for the project at that time.

Further analysis of the project indicated that it could have a number of unique challenges, risks and design options available to meet the objectives. Given the tight time constraints to complete the project before the 2019 Spring freshet, it was decided to undertake a unique procurement strategy to select the most qualified contractor and enter into a modified design-build contract that would firmly establish the cost after successfully fulfilling the design requirements. Landmark Solutions (Landmark), an experienced contractor with over 40 similar installations, was selected to complete the project.

Landmark has submitted a complete design and construction plan, and identified a number of construction challenges that were not fully understood at the time of grant and budget submissions:

1. A temporary detour bridge was determined to be the most efficient and cost effective option to maintain traffic to the strata development at the end of Spencer Road.
2. Environmental permitting and monitoring requirements were more challenging than expected, given the related flood recovery issues and to ensure approvals for construction were received in time to construct prior to the 2019 freshet.
3. As an option to a lengthy archeological approval process, OKIB agreed to allow the project to proceed with the presence of a monitor at the site.
4. Costs to temporarily maintain utility service across the construction zone will be significantly more than expected. A temporary GEID water main is required followed by permanent restoration, the FortisBC gas main is on a difficult alignment and needs to be relocated, and there are separate water, sewer and utility services to the isolated strata lot on the north side of the crossing that need to be maintained and relocated.
5. Dewatering costs to bypass creek flow during the installation is more than expected due to higher than expected flows this winter and not being able to maintain flow through a temporary pipe for construction safety and sequencing of work.

The projected construction costs from Landmark have been thoroughly vetted by City staff and the owner's engineer (Stantec). The additional scoped items would simplify the construction and access problems in the area, and help assure the project would be completed prior to spring freshet. The current cost is quoted at ~\$1.1M with contingency allowances for variable items such as disposal of unsuitable material and additional import backfill. The current project budget is summarized below. An additional budget transfer of \$280,000 is required.

Spencer Road at Mill Creek Drainage Improvements – Revised Project Budget

Civil/Environmental QA and Permitting	40,000
Environmental Monitoring and OKIB Monitoring	30,000
City Costs – staff, survey, asphalt paving	65,000
Design – Build Construction Base Contract	1,100,000
<u>Construction Contract Contingencies</u>	<u>65,000</u>
Total Estimated Project Cost (Current Budget \$1,020,000)	1,300,000

<u>Spencer Road at Mill Creek Drainage Improvements (3410)</u>	<u>Summary</u>	<u>Request</u>
Estimated Project Total	\$1,300,000	
<u>Current approved budget (750,000 grant, 270,000 taxation)</u>	<u>\$1,020,000</u>	
Estimated deficit to be balanced	- \$ 280,000	\$280,000

Financial/Budgetary Considerations:

In order to cover the unforeseen additional expense incurred for the Spencer Road Mill Creek Drainage Improvement project the 2019 Financial Plan will need to be amended to include up to \$280,000 funded from capital drainage funds held in reserve (R000).

Internal Circulation:

Financial Planning Manager
Utility Planning Manager
Manager, Infrastructure Administration
Manager, Infrastructure Delivery

Considerations not applicable to this report:

Legal/Statutory Authority:
Legal/Statutory Procedural Requirements:
Existing Policy:
Personnel Implications:
External Agency/Public Comments:
Communications Comments:
Alternate Recommendation:

Submitted by:

A. Newcombe, Divisional Director, Infrastructure

Approved for inclusion:



D. Gilchrist, City Manager

cc: Divisional Director, Infrastructure
Divisional Director, Financial Services
Manager, Infrastructure Administration
Manager, Infrastructure Delivery
Financial Planning Manager
Utility Planning Manager