

ITEM 8
MANAGER'S REPORT NO. 13
COUNCIL MEETING 1983 02 21

RE: BNR GRADE SEPARATION
CONTRACT #8213 - STEELWORK 1
EXTENSION OF TIME - STAGE 1
(ITEM 6, REPORT NO. 46, 1982 AUGUST 09)

MUNICIPAL MANAGER'S RECOMMENDATION:

1. THAT the recommendation of the Director Engineering be adopted.

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TO: MUNICIPAL MANAGER 83 02 10
FROM: DIRECTOR ENGINEERING
SUBJECT: BNR GRADE SEPARATION
CONTRACT #8213 - STEELWORK 1
EXTENSION OF TIME - STAGE 1

RECOMMENDATION:

1. THAT Hafer Machine Co. Ltd. be granted a time extension to the Stage 1 completion date for Contract #8213 from 1983 March 31 to 1983 April 30, subject to Hafer Machine Co. Ltd. compensating the Corporation for any additional costs which may accrue as a result of the time extension.

REPORT:

Council, at its meeting of 82 08 09, approved the award of Contract #8213, BNR Grade Separation - Steelworks 1.

The consultants, Associated Engineering Services Ltd., report as follows:

1. At our meeting of September 16, 1982, the Contractor confirmed that the steel order had been placed. Delivery was expected in two shipments, one in mid-November, and one in mid-December. The contract schedule submitted at that meeting took into account these delivery dates and indicated that the Stage 1 completion date of March 31, 1983 would be met.
2. The Contractor has provided invoices from the steel supplier which indicate that the steel orders were placed in September.
3. The first steel shipment arrived at the Surrey Fraser Docks on or near December 7, 1982. The second shipment landed December 20, 1982. Thus, the first steel shipment was approximately 3 weeks late while the second was marginally late.

It is apparent that there was a 3 week delay beyond the Contractor's control. However, we can not find any valid reasons to substantiate the loss of the fourth week.

While the Contractor indicates he is 4 weeks behind the Stage 1 erection completion date, we must point out that the Contractor is currently some 6 to 8 weeks behind in steel box fabrication and has been forced to reduce his float period between fabrication and erection from 4 weeks to 2 weeks. The Contractor has

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also increased the number of shifts to three from two per day at both fabrication shops. The introduction of these measures has allowed the Contractor to reduce his request for extension to only 4 weeks for Stage 1 and schedule to maintain the Stage 2 completion date.

Consideration has been given to the introduction of a third fabrication shop. However, we do not believe that this course of action is feasible within the time constraints necessary to set up such an operation. The Contractor is now in the process of "gearing up" to maximize the efficiency of the fabrication process. We are confident that the erection dates stated in the Contractor's letter can be met. We would advise against elimination of the 2-week float period. Hopefully any problems that arise can be absorbed by this period so that highway closure dates associated with erection need not change.

We have investigated the effect of a 4 week delay on the spending requirements for the 1982-83 fiscal year under the UTAP grant. We have calculated that, provided the fabrication schedule and erection dates shown in the latest schedule submitted by the Contractor are met, and a payment for steel plate materials stored at the fabrication sites is made, full eligible funding will be obtained.

The Project Schedule shown in Appendix I of the Contract Documents has a one month float period built-in, in an attempt to accommodate the possible problems of the interaction of the Foundations - 2, Steelwork - 1, and Concrete Deck - 1 contracts. This has now been utilized. Although there will be a delay in the commencement of work on the concrete deck, this will not affect the final project completion date.

We therefore recommend that the Corporation acknowledge that work under Stage 1 of this contract is 4 weeks behind and revise the completion date to April 30, 1983. We also recommend that the Contractor be advised that liquidated damages as detailed in the Contract Documents will be applied if the Corporation suffers a financial loss because the revised Stage 1 and original Stage 2 completion dates are not met."

The Director Engineering concurs with the consultant's recommendation.


DIRECTOR ENGINEERING

WMR:sp