

TO: CITY MANAGER **DATE:** 2013 January 30

FROM: ACTING DIRECTOR ENGINEERING **FILE:** 35000 50
Reference: Contract 2012-01

**SUBJECT: ENGINEERING SERVICES E12/2011
2012 UTILITY UPGRADE PROGRAM**

PURPOSE: To seek approval to increase the existing engineering services assignment to a total of \$305,000, including taxes for the 2012 Utility Upgrade Program.

RECOMMENDATION:


1. **THAT** Council approve the revised amount of \$305,000. (inclusive of taxes), under the existing Engineering Agreement E12/2011 with McElhanney Consulting Services Ltd. (McElhanney) for construction administration services related to the 2012 Utility Upgrade Program, Contract 2012-01.

REPORT

As part of the 2011 Capital Program, the City had requested proposals from three qualified engineering consultants and selected McElhanney for design and construction services related to the project at a total estimated cost of \$205,000 including HST, under assignment E12/2011. During the course of the project development, McElhanney responded to a previous request for scope change and \$32,500 was added to the initial fee limit to a new total of \$237,500 (including HST).

The project was tendered in 2012 March and construction began under Contract 2012-01, with an initial scheduled completion date of 2012 October. During the course of construction, the Contractor, Fournier Excavating Ltd., ran into financial difficulty and recently announced he is unable to complete the work, and effectively defaulting from his contractual requirements. The City has been in touch with the bonding agent to facilitate a transition for completion of the remaining work. Given the delay in completion, McElhanney has requested an increase of \$67,500 (inclusive of taxes) in fees to cover costs associated with ongoing construction services related to the project.

It is recommended that Council approve the revised amount of \$305,000 (inclusive of taxes), for contract administration services under Engineering Agreement E12-2011. The Purchasing Manager concurs with this recommendation. Sufficient funds are available for this increase in the Sewer and Water Utilities components of the 2013 Provisional Financial Plan.



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ACTING DIRECTOR ENGINEERING

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Purchasing Manager
City Solicitor