



Item.....
Meeting..... 2016 Jun 13

COUNCIL REPORT

TO: CITY MANAGER **DATE:** 2016 June 01

FROM: DIRECTOR ENGINEERING **FILE:** 35000-40
Reference: Contract 2015-12

SUBJECT: 2015 INFRASTRUCTURE UPGRADE – GILMORE NORTH
CONTRACT 2015-12

PURPOSE: To seek Council approval of the additional expenditure under Contract 2015-12 and Engineering Agreement E30/2014

RECOMMENDATION:

1. **THAT** Council approve the revised amount of \$4,747,176 inclusive of GST for Contract #2015-12 to Targa for the Gilmore North construction works (an increase of \$500,000).
2. **THAT** Council approve the revised amount of \$389,787 inclusive of GST for Engineering Agreement E30/2014 to ISL Engineering (an increase of \$126,000)

REPORT

In June 2015, Council approved Contract 2015-12 in the amount of \$4,247,176.08, inclusive of GST for the 2015 Infrastructure Upgrade – Gilmore North construction. The contract included sewer separation work, watermain renewal and road reconstruction on Edinburgh St between Boundary Rd and Gilmore Ave, Gilmore Ave between the lane north of Edinburgh St and Eton St, Yale St between Gilmore Ave and Carleton Ave and Carleton Ave between Yale St and Cambridge St. The underground works are nearing completion with the roadworks to follow, subject to favourable weather conditions.

The following issues have affected the cost of construction:

- The major component of the increase is related to underground work around the five large diameter steel Metro Vancouver watermains which run down Ingleton Ave from the Burnaby Heights Reservoir and across Edinburgh St. As part of the sewer separation work on Edinburgh St, a new six metre deep storm sewer was installed under the five Metro Vancouver watermains. During the installation of this section of storm sewer another Metro Vancouver watermain located on Edinburgh St was found to be in conflict with the proposed storm sewer alignment. To resolve this conflict, a major change to the storm sewer design was required and resulted in the contractor hiring a directional drilling contractor from Alberta to drill a 30 metre long 600 mm diameter tunnel to allow for the installation of a 525 mm HDPE pipe to clear this watermain. This work represents 87% of the contract cost increase.
- The balance of the contract increase is related to other extra work items to the contract. These items represent 13% of the cost increase.

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From: Director Engineering
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The total additional construction cost is a combination of difficult sub-surface ground conditions, inaccurate Metro Vancouver record drawings and other extra work and is projected to be \$500,000 inclusive of GST. Additional engineering costs totalling \$126,000 (inclusive of GST) have also been incurred to manage the difficult and unforeseen construction conditions. In summary, design changes due to difficult sub-surface soil conditions below the five Metro Vancouver watermains on Edinburgh St at Ingleton Ave and inaccurate Metro Vancouver records of a lateral watermain on Edinburgh St added an extra level of complexity to this contract as well as other minor extra work items. Arising from the extra works, the final cost of this construction contract will be increased by \$500,000 and the Engineering Agreement will be increased by \$126,000. Staff reviewed and negotiated the costs of the extra work and is in agreement with the final amount.

Therefore, it is recommended that Council approve the revised amount of \$4,747,176 inclusive of GST for Contract 2015-12, and revised amount of \$389,787 inclusive of GST for Engineering Agreement E30/2014 as described in this report. Sufficient funds are available within Sanitary Main fund EKA.0013 to cover the additional expenditure, which is in addition to the 2016 Capital Plan amount.



Leon A. Gous, P. Eng., MBA
DIRECTOR ENGINEERING

GBT/ac

Copied: Director Finance
Purchasing Manager