



Engineering and Public Works
Memorandum

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File Folder: Clegg Street, 14th Avenue and N.Railway, Contract No. 2011-005
Storm Sewer Works

To: Chief Administrative Officer
From: Director of Engineering and Public Works
Date: July 15th, 2011
Subject: **Additional Costs Contract No. 2011-005;
Clegg Street, 14th Avenue and N.Railway Avenue Storm Sewer Works**

Recommendation

That the additional costs of \$73,485 be approved for contract 2011-005

That funding of \$55,079 come from account 42250 (Improvements next to subdivisions) and \$18,406 come from account 42345 (General Drainage).

Background

On May 16th 2011, Council awarded Contract No. 2011-005 - Clegg Street, 14th Avenue and N.Railway Avenue Storm Sewer Works to the lowest bidder, Mission Contractor Ltd for a total amount of \$415,245.30. This amount included \$30,000.00 contingencies for both projects

Upon starting the works and in the first few days working on Clegg St, the Contractor encountered an unexpected Fortis gas line across the alignment that forced the Contractor to stop work on Clegg St, as such, the Contractor was directed by the District to move to N. Railway Ave to start work on that site. On the second day of work on N. Railway Ave, the Contractor encountered unexpected sub-soil conditions that forced them to stop work again and wait for the District's decision.

In addition to this one of the manholes at 14th & Orchid was determined to be too small and required a new manhole to be built and catchbasins to improve surface flows to the manhole. The cost of this item is \$33,000. This was known at the time of award and should have been factored into the project costs in the award report to Council but was missed by staff.

Financial Implications

As a result of the above circumstances, a summary of the additional known costs to date is as follows:

- Contractor standby time: the contractor was originally issued the Notice to Proceed on June 6th 2011, the Contractor mobilized/started work on Clegg St on June 20th and on June 23rd, they have encountered unexpected Fortis gas line with 90° elbows, in which they have to stop the work to wait for Fortis to relocate their line (no charge for this standby time), and as such, the Contractor was directed to move to N. Railway on July 8th and started work there on July 11th. On that first day on N. Railway Ave, the Contractor encountered major underground soil conditions that were not expected, this resulted in this second standby time in which they have to stop work on July 12,13,14,15, 18, 19, 20 (assuming a new Notice to Proceed will be issued on July 19th). The contractor is within his right to claim standby costs which could amount over \$26,000 but has

noted that if we proceed with the work on North Railway on Tuesday that he will not claim the standby costs with the view to get back on the job and only charge for actual work done. The estimated costs are as follows:

- 14th Ave and Clegg Street:
 - Manhole and Catchbasins \$34,000
 - Fortis BC \$8,600
 - Asphalt Chute \$2,500

Sub-Total: \$45,100

- N. Railway Avenue:
 - New Sump Manhole \$800
 - Light weight fill \$27,585

Sub-Total \$28,385


- **Total Extras \$73,485**

It is noted that a contingency of \$30,000.00 will remain to allow for any additional unknown issues that may appear.

Staff has reviewed the project for items that could be cut out but both projects must be complete in their entirety since the North Railway project corrected a collapsed storm pipe that has insufficient capacity and the Clegg St/14th Ave project is to repair and improve the drainage overflow/flooding problem along Clegg St.

The recommended funding sources are:

- Account 42425 'Improvements next to subdivision'. This fund is intended for extension of services next to subdivisions where there are infrastructure gaps such as sidewalks, surface works or underground infrastructure where there is a gap between existing and new works. To date there have been no works identified for this in 2011.
- Account 42345 'General drainage'. Used for general drainage improvements.


Rick Bomhof


Ken Bjorgaard

I have reviewed the recommended funding sources in this report.