

## **COMMITTEE OF THE WHOLE - APRIL 3, 2012**

### **REQUEST TO INCREASE CONTRACT VALUE T11-086 – PEELAR ROAD CULVERT REPLACEMENT WARD 4**

#### **Recommendation**

The Commissioner of Engineering and Public Works in consultation with the Director of Purchasing Services and the Director of Budgeting and Financial Planning recommends that Council approve:

1. Increasing the quantity of work in the Peelar Road Culvert Replacement contract, to remedy damages resulting from storm events in July and August 2011; and
2. Increasing the contract amount for Tender T11-086, by \$78,610, to a total value of \$544,445, plus applicable taxes, to address the increase in contingencies, to fund the additional work from Capital Project EN-1728-08.

#### **Contribution to Sustainability**

The replacement of the culvert will ensure that an acceptable level of service by the City's Infrastructure is maintained for the health and well being of its citizens.

#### **Economic Impact**

Contract T11-086, Peelar Road Culvert Replacement, Capital Account EN-1728-08, was awarded by Council on May 24, 2011 to Direct Underground Inc. The total value of the tender award was \$420,835, with a contingency allowance of \$45,000, plus applicable taxes and was entirely funded from the "Municipal Infrastructure Investment Initiative" Provincial Grant.

There is no additional impact to the 2008 Capital Budget. There are sufficient funds in Capital Project EN-1728-08, MIII-Peelar Road Culvert Replacement, to accommodate the increase in the value of the contract in the amount of \$78,610. This project is funded by the "Municipal Infrastructure Investment Initiative – MIII" Provincial Grant in the amount of \$975,410.

#### **Communications Plan**

Not Applicable.

#### **Purpose**

To obtain Council approval for additional funding required to complete final payment for previously approved Contract T11-086.

#### **Background - Analysis and Options**

Provisions had been incorporated into the tender documents to provide environmental protection including 2 year storm events, which is typical for these types of projects. However, storm events that occurred on July 1<sup>st</sup>, August 3<sup>rd</sup>, 7<sup>th</sup> and 9<sup>th</sup>, 2011, exceeded the 2 year storm event that was provided for in the contract. The damage from these storms resulted in compensation for additional time and material to clean up the flooding on site, including rectification of the new culvert that had been installed. Staff also directed the installation of an additional, temporary culvert to redirect overland flow from Peelar Road away from the workzone, to mitigate against any additional damage.

As a result of these storm events, additional costs of \$78,610 were incurred that exceeded the total value of the project. All additional work was undertaken at the direction of the City and was in accordance with Departmental Policies and Procedures.

The contingency allowance allocated for this tender was fully utilized during construction to address additional work required in completing the scope of the project. These works included the installation of steel beam guiderail, creek protection measures as well as existing culvert replacement in conflict with the proposed works.

Based on the experience gained from Tender T11-086, staff will consider incorporating changes into similar future capital projects for greater environmental protective measures. A risk management model will be utilized to assess the extent of these provisions, if any, to mitigate damage and costs associated with these types of storm events.

The additional work is related to construction and can be funded within the 2008 Capital Budget EN-1728-08, Peelar Road Culvert Replacement. The project is currently on maintenance and will be closed at the end of the two year maintenance period.

Summarized below in Table 1 is an illustration of the funding position for EN-1728-08:

**TABLE 1**

<b>PROJECT FUNDING POSITION SUMMARY</b>	
<b>Capital Project</b>	<b>Peelar Road Culvert Replacement EN-1728-08</b>
Approved Budget	975,410
Less: Exp. & Commitments to Date	(798,369)
Current Funds Remaining	177,041
<b>Less: Additional Funding Request</b>	
- Expenses Incurred	75,000
- Non- refundable HST (1.76%)	1,320
- Treasury Administration (3%)	2,290
Sub-total	(78,610)
<b>Balance Remaining</b>	<b>98,431</b>

#### **Relationship to Vaughan Vision 2020/Strategic Plan**

In consideration of the strategic priorities related to Vaughan Vision 2020, the recommendations of this report will pursue excellence in service delivery; assist in enhancing and ensuring community safety, health & wellness; lead and promote environmental sustainability which is consistent with the priorities previously set by Council. The Peelar Road Culvert Replacement will ensure that the culvert along with the associated road surface quality and creek operate at an acceptable level of service for the residents of Vaughan.

**Regional Implications**

Not Applicable.

**Conclusion**

The funds requested are required to pay the contractor, Direct Underground Inc. the cost of additional work required in the completion of this project. The time and quantities involved have been verified by the City's Consultant and Engineering Services staff. It is therefore appropriate to increase the contract value of Tender T11-086 – Peelar Road Culvert Replacement.

**Attachments**

1. Location Map

**Report prepared by:**

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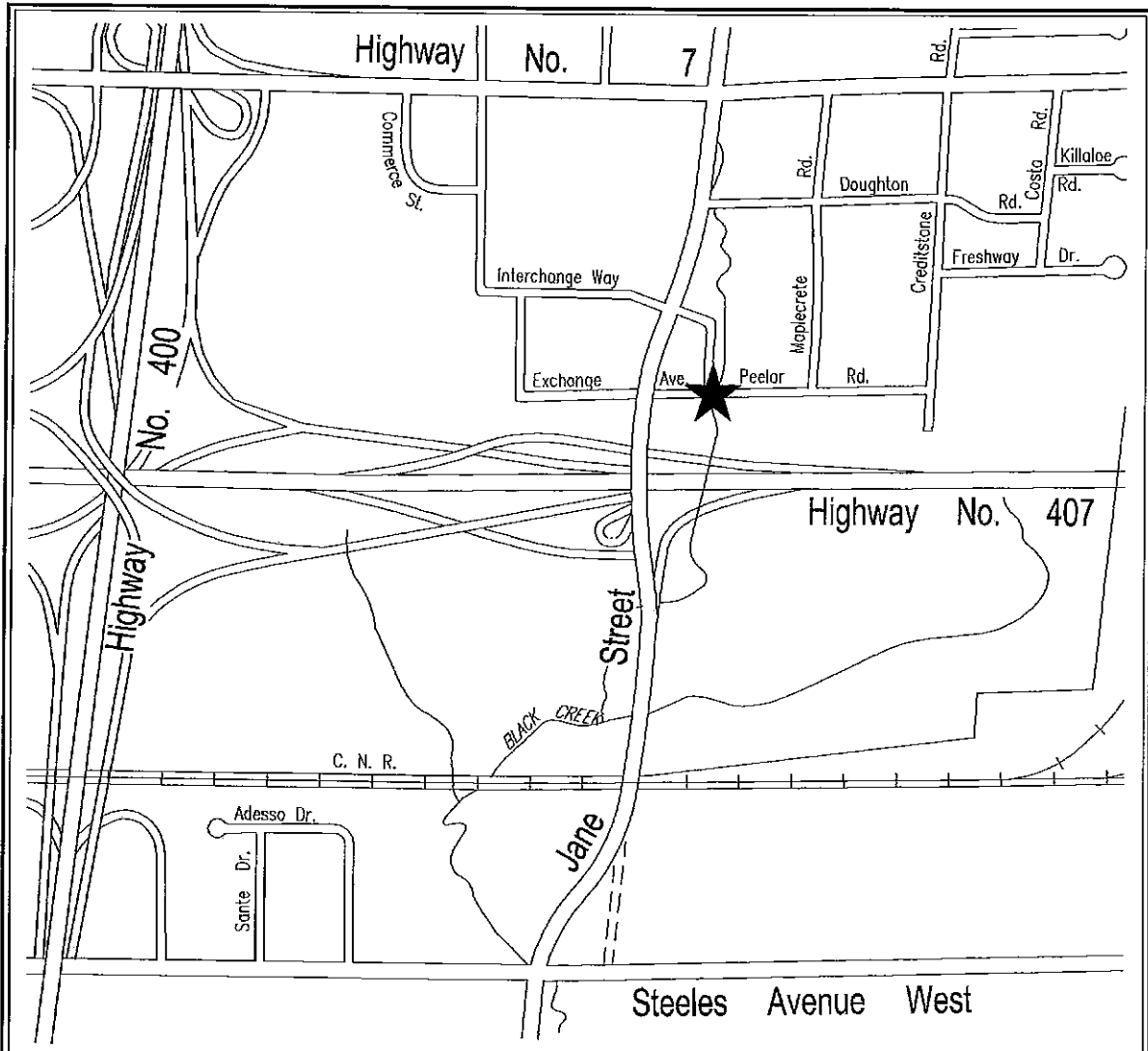
Respectfully submitted,

Paul Jankowski, P. Eng.  
Commissioner of Engineering and Public Works

Jack Graziosi, P. Eng.  
Director of Engineering Services

GM:mc

# ATTACHMENT No. 1



## PEELAR ROAD - CULVERT REPLACEMENT T11 - 086

LOCATION: Part of Lot 4, Conc. 4

### LEGEND



CULVERT LOCATION



NOT TO SCALE