



CITY OF
ST. CATHARINES

Corporate Report

Report from Transportation & Environmental Services, Engineering and Construction

Date of Report: July 8, 2013

Date of Meeting: July 22, 2013

Report Number: TES-212-2013

File: 18.45.249

Subject: Project P11-105 – Municipal Services Improvements – St. Paul/Head – Budget Amendment and Release of Completion and Lien Holdback Payment

RECOMMENDATION

That Council grant approval to release the completion and release of holdback payment for Project P11-105, Municipal Services Improvements – St. Paul/Head in the amount of \$115,048.74 plus applicable taxes to Demar Construction; and

That Council grant approval to use \$28,410.95 from P13-011 Sewer Spot Repair Program. FORTHWITH

BACKGROUND

Approval of Completion and Holdback payments was delegated to staff by Council at its meeting of March 8, 2004. Exceptions to this delegation deal with those projects whose final cost exceeds the awarded contract price.

Staff report TES 188-2013 was before Council for consideration on July 8, 2013. That report described the policy and process for the authorization of increased expenditures within an awarded contract and the reporting of the same to Council. As indicated in that report, unforeseen/unanticipated circumstances are not uncommon with municipal infrastructure projects.

In its meeting of November 26, 2012, Council awarded the tender for the Municipal Services Improvements – St. Paul/Head to the low bidder, Demar Construction at their bid price of \$765,439.24 plus HST.

The project limits on St. Paul Street were from William Street to Court Street and on Head Street the project limits were from Bond Street to the north limit. The scope of works included replacement of two existing cast iron watermain on St. Paul Street with a new P.V.C watermain and the replacement of an old water service on Head street with a new P.V.C. watermain.

REPORT

Construction for this project was substantially performed on April 23, 2013. The final value of all work completed under the project is \$799,116.55 plus applicable taxes. The final cost exceeds the awarded contract amount by \$33,677.31.

Municipal contracts typically include a contingency allowance. Considering the many unknowns and expected difficulties associated with construction in the downtown area a \$100,000 contingency allowance was included in this contract. Unfortunately, this allowance was not sufficient to accommodate all the circumstances encountered.

\$5,266.36 of the total additional costs are related to the original project, \$14,167.71 are related to emergency sanitary sewer lateral replacements outside of the limits of the watermain trenches, and \$14,243.25 are related to a sanitary manhole replacement in the intersection of St. Paul Street and Queen Street. Full length sanitary sewer lateral replacements were undertaken in conjunction with the watermain work in order to complete the work expeditiously and to reduce inconvenience to area businesses. Similarly during the watermain construction the condition of a sanitary manhole was discovered to be needing prompt attention and replacement. The sanitary manhole replacement was completed within this project as the watermain Contractor had equipment on site and experience in similar work. In addition, the watermain Contractor was willing to undertake the manhole replacement work during a scheduled full road closure for other watermain related works which reduced the impact on abutting businesses.

Waterworks related extras were mostly funded by the contingency allowance and can be attributed to various operational difficulties and many factors not known at the design stage. For example, multiple unknown blind but live services were damaged inadvertently during construction and many existing water services did not match historical records. The unknown services included several large diameter fire services.

FINANCIAL IMPLICATIONS

Additional funds of \$33,677.31 over the original contract amount are required to pay for all the work completed under the construction project. This amount equates to approximately 4.4% of the original tender amount. The additional amount required equates to only 0.69% of the original contract amount if the sanitary sewer related work, which was not a part of the original scope, is not considered.

The City Treasurer has confirmed that there are sufficient funds available in the project account for P11-105 MSI-St. Paul/Head and in the P13-011 Sewer Spot Repair Program account to absorb the additional watermain and sewer related construction costs respectively incurred during the P11-105 MSI – St. Paul/Head project.

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