



CITY OF
ST. CATHARINES

Corporate Report

Report from Transportation & Environmental Services, Engineering and Construction

Date of Report: November 9, 2012 **Date of Meeting:** November 26, 2012

Report Number: TES-653-2012 **File:** 18.20.196

Subject: QEW Widening Project – Update

Recommendation

That Council direct staff to release the final payment for the Ministry of Finance of \$5,215,771.83 for the City's share of costs associated with the QEW Widening project; and

That the additional funding of \$264,662.17 be funded from the Federal Gas Tax Program. FORTHWITH

Background

After several years of negotiation, on November 23, 2009, Council approved a cost sharing agreement with the Ministry of Transportation of Ontario (MTO) for the inclusion of various City works to be constructed within the Ministry's QEW widening construction contract. At that time staff reported that final costs were anticipated to exceed the amount stated in the agreement as staff were aware that tendered unit costs exceeded the estimated unit costs and a number of substantial change orders had been issued and approved during the course of construction to date. The City works in the cost sharing agreement included replacement of three watermain crossings under the highway, one new watermain crossing of the highway, a share of the structure costs for extra wide sidewalks on bridges over the highway and at the Geneva Street and Welland Avenue underpasses, and various road and drainage improvements along most of the City service roads parallel to the highway.

Starting in 2008, funds were annually approved in the Federal Gas Tax program of several Capital Budgets to fund these improvements.

The Ministry of Transportation awarded the construction contract MTO 2007-2027 to Holcim (Canada) Inc., o/a Dufferin Construction Company, in 2007. Construction was initiated in April 2007 and substantially complete in June 2011.

Report

Prior to issuance of a final invoice by MTO, City staff reviewed calculations prepared by Ministry staff and their contract administrator Highway Construction

Inspection Ltd. for the City's final share of cost. The final invoice amount is anticipated to be \$6,280,050.63 which exceeds the estimated amount in the cost sharing agreement and the approved budget funding.

Several reasons for the increased costs are detailed below.

The tendered cost of all the bridge structures was substantially higher than originally estimated. During construction, additional difficulties were encountered that further increased the cost of those structures. Because the City's share of costs is paid on a percentage of the total cost of each structure, any extra costs which increased the total cost of the bridge or underpass also increased the City's share of costs. The table Appendix "1" summarizes the cost of sidewalks at each structure.

On July 20, 2007, Council approved deletion of portions of Meadowvale Drive from the MTO contract in order to allow another contractor to install storm sewers, sidewalks on the north side rather than the south side, and restore the roadway to base course asphalt immediately after installation of the sanitary sewers. However, as a result of these deletions, some extra costs were still incurred by Dufferin. One extra was for additional asphalt padding to match the temporary south shoulder elevations to new curbs on the south side. MTO also authorized Dufferin be paid for underruns on a couple of the storm sewer pipe size quantities which resulted from the deletion of the storm sewer on Meadowvale. The total amount of the extras and underruns was \$40,423.15.

Another large extra was incurred when an existing sanitary sewer in the vicinity of the abandoned portion of Dunlop Drive and the Niagara Street off ramp was discovered to be on the highway side of the proposed noise wall. The costs of the sanitary sewer relocation were cost shared 50 / 50 with MTO resulting in a City share of \$45,250.

Other notable change orders include installation of a short retaining wall on Dunlop Drive at the rear of several Spruce Street properties, additional grading on Mohawk Drive and Dieppe Road to eliminate an asphalt boulevard, revised grading along McCalla Drive, and revised watermain connection details at Grantham Avenue.

Finally, there were increases to overhead charges for contract administration, inspection and financial administrative fees which were based on total construction costs. Consequently, the total amount of these charges is higher than in the original cost estimate.

Financial Implications

Previous funding of \$6,015,388.46 for the City's share of this project was funded from the water budget and the Federal Gas Tax program. The final invoice from the province is anticipated to be \$6,280,050.63. The province has advised no Tax (GST or HST) will be charged.

This leaves a shortfall of \$264,662.17. The City Treasurer advises there are sufficient funds in the Federal Gas Tax Program to cover this shortfall from efficiencies in other gas tax projects.

Submitted and Prepared by:

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Approved by:

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Director, Transportation and Environmental Services

QEW Widening Contract

Structure costs.

Structure	% City share of structure	City's Share of Final Invoice	Estimate in cost sharing agreement	Increased Costs	change orders	change due to tender price
Martindale Road Underpass	0	\$ -	\$ -	\$ -	\$ -	\$ -
Ontario Street Underpass	1.5	\$ 46,798.67	\$ 25,891.00	\$ 20,907.67	\$ 7,563.46	\$ 13,344.21
Lake Street Underpass	6.9	\$ 651,291.26	\$ 486,658.00	\$164,633.26	\$46,750.33	\$117,882.93
Geneva Street Overpass	7.4	\$ 409,139.36	\$ 264,633.00	\$144,506.36	\$ 558.79	\$143,947.57
Niagara Street Underpass	0	\$ -	\$ -	\$ -	\$ -	\$ -
Welland Avenue Overpass	8.2	\$ 622,131.20	\$ 388,486.00	\$233,645.20	\$30,330.82	\$203,314.37
Total bridge structure costs		\$1,729,360.48	\$1,165,668.00	\$563,692.48	\$85,203.40	\$478,489.08