

Subject: Budget Increase to Park Lane Watermain Replacement Project WTR 06-21

Recommendation:

BE IT RESOLVED THAT Council receive Report #2022-0096 – Update to Park Lane Watermain Replacement Project Budget for information;

AND THAT Council APPROVE the budget increase of \$79,386 to the capital project WTR 06-21 Watermain Extension to Service Splash Pad for MSSP;

AND THAT Council direct this to be funded from the Canada Community Building Fund (formally known as Federal Gas Tax).

Background: In 2021, Council approved the capital project for completing a water main extension to service the splash pad at Marlene Stewart Streit Park (MSSP). The approved budget for this project was \$200,000.

The purpose of this project was to replace the existing watermain along Park Lane from Regional Road 20 to MSSP for the Fonthill Splash Pad, which is scheduled to be constructed in 2022. This project also included the installation of 2 sanitary manholes, water connection to the Town's facility on Park Lane and installation of one new fire hydrant.

Analysis:

As part of the 2021 capital budget Council approved the Park Lane Watermain Replacement Project in the amount of \$200,000. Staff awarded this project to Catalina Excavating Inc. in November of 2021 in accordance with the Town's procurement policy S402-00. Catalina Excavating submitted a price of \$178,134 plus net HST for a total of \$181,269.

The project consisted of replacing the existing 200mm dia. watermain from Highway 20 to MSSP. This included installing a new hydrant and three (3) service lines located near the pool. A 50mm dia. service connection was installed to the Town Facility as well. Additionally, two (2) sanitary manholes, connected by 200mm dia. sanitary sewer were also installed.

During the project there were unforeseen challenges that resulted in delays and changes to the anticipated plan for completion. This resulted in extra costs incurred by the Town. Many of the challenges are summarized below:

- At the commencement of this project it was determined that using a directional bore method to place the watermain in MSSP would pose less risk to remaining infrastructure than using an open cut method. The original plan and proposed route would cause more damage to the existing sidewalk and portion of the skate park. The direction drill method travelling underneath the parking lot resulted in much less restoration and impact to existing infrastructure than originally anticipated.
- There were multiple locations where the contractor came into contact with unallocated service laterals and other structures, such as abandoned septic tanks. These caused multiple delays in work for repair and removal of structures.
- During excavation there were 3 occasions where locates were significantly inaccurate which caused delays when locating critical infrastructure for this project. The contractor also encountered unforeseen underground conditions that required additional equipment and manpower to excavate.
- At the time of commencement of this project it was the understanding of Town staff and the Contractor that this project was required to adhere to the newly implemented Excess Soils Regulation. Because of this regulation, the contractor stockpiled all excess soil on site to be tested later. In order to prevent any siltation and sediment flow silt fence was installed around the stockpile.

At this time, the excess soil is still to be removed from the site. After the construction was completed, the Town retained a geotechnical contractor to complete a study of the soil, as per the new Regulation. There have been discussions between Town staff and Catalina Excavating to remove the excess soils. This will require additional mobilization and operator costs incurred by the Town. However, because soil removal was stipulated in the tender, Catalina will be responsible for the hauling costs for the removal.

Financial Considerations:

Council approved a budget of \$200,000 for the Park Lane Watermain Project under capital account WTR 06-21. The successful proponent submitted a price of \$178,134 plus net HST for a total of \$181,269. As a result of the unforeseen challenges, delays and extra work orders listed above, there is a current budget shortfall of \$51,286 based on the work completed to date as at March 1, 2022. The Payment Certificate #1 has a total cost of \$251,286.

The contractor has additional work to complete on the project including the removal and disposal of the surplus soils currently stockpiled on-site. This work is estimated at \$23,500. In addition, the Town has incurred costs of \$4,600 for the testing of the surplus soil based on current legislation. As a result, staff estimate that further additional costs in the amount of \$28,100 will be incurred. The total project cost is now estimated at \$279,386.

The budget shortfall of \$79,386 will be paid from the Canada Community Benefit Fund (CCBF) (formally known as the Federal Gas Tax). There was a budget savings on project RD 01-21: Sixteen Road Bridge in 2021 which was budgeted at \$600,000 of which \$542,646 was to be funded by CCBF and the rest by the Roads Reserve. The final cost was \$493,064, which was fully funded by CCBF, improving the forecast balance for the Roads reserve by \$57,354 and leaving an additional \$49,582 in CCBF funds carrying forward. In 2021, the Federal Government topped up the CCBF funding with an additional \$521,661, which was applied to a project in 2022 and a portion carried forward to capital projects in 2023. Of the funds applied to the forecast for 2023, \$29,804 can be applied to this project without negatively impacting the Roads Reserve because of the savings on the Sixteen Road Bridge. Therefore \$79,386 in CCBF funds carried forward can be applied to the budget increase to Project WTR 06-21 Watermain Extension to Service Splash Pad at MSSP, without any negative impact to the capital forecast.

Alternatives Reviewed:

Town staff met with the Contractor to discuss, in detail, the additional work required to complete the project. It was determined that the extra work was required in order to safely complete the project and to protect the Town's infrastructure. As a result, staff did not explore further options or alternatives.

Strategic Plan Relationship: Strong Organization

The Town's infrastructure benefits from properly designed and engineered projects and ensures that the projects are delivered in accordance with approved budgets

and schedules. Timely replacement of our aging infrastructure is critical to ensuring the Town maintains a safe and efficient water and wastewater distribution system.

Consultation:

Financial Considerations was prepared by the Director Corporate Services & Treasurer.

Other Pertinent Reports/Attachments:

Not Applicable

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