

DATE: October 31, 2019

FILE: 5600-05/Royston

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Russell Dyson
Chief Administrative Officer

Supported by Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Gartley Road Fire Flow Improvement Project Budget Amendment

Purpose

To provide a status report on the Gartley Road Fire Flow Improvement Project and to request an amendment to the 2019 – 2023 financial plan in 2019 by \$22,000 to reflect the final costs for construction.

Recommendation from the Chief Administrative Officer:

THAT the 2019 – 2023 financial plan and capital expenditure program for the Royston Water Service, function No. 312, be amended by increasing water infrastructure expenditures by \$22,000 in 2019 for the Gartley Road Fire Flow Improvement Project, project No. 1064, to be funded by a further contribution from the capital works reserve No. 839.

Executive Summary

Included in 2019 within the 2019-2023 financial plan for the Royston Water Service was the Gartley Road Fire Flow Improvement Project, which has been carried forward since 2017. The purpose of the project was to improve fire flows at one of the furthest reaches of the system. Design and engineering for the project was completed in 2018 and construction was completed in June 2019.

The project included installation of 765 meters of 200mm diameter PVC main to replace the existing smaller diameter asbestos cement pipe to ensure sufficient fire flows for Gartley and Gartley Point Road. The project also included the installation of new services for each property (43 services in total).

The total project budget was \$450,000, with \$424,000 being carried forward from 2018. The project was tendered in spring 2019 and WACOR Holdings was the successful proponent. A breakdown of the costs incurred is provided in Table No. 1 below.

Table No.1: Breakdown of Project Costs

Project Component	2018 Costs	2019 Costs
Engineering	\$25,100	\$28,500
Construction		\$415,800
Other		\$1,700
Project Total by Year	\$25,100	\$446,000
2019 Project Budget as Approved in Financial Plan		\$424,000
Budget Amendment Required		\$22,000

The tender price of WACOR was below the project budget, however shortly after tender of the project a number of changes were required that resulted in multiple change orders being issued and the project running over budget. Summarized below are the primary drivers for the project cost overrun:

- The Ministry of Transportation and Infrastructure required a number of changes to the design after a contract was signed for construction, including a change in methodology for installing any new service connection across the road that resulted in an increase to the overall project cost.
- The original watermain was old and no as-builts were available to determine the exact location of the entire main. During construction a portion of the existing water main was determined to be in the location proposed for the new water main, so a bypass was necessary to install the new watermain on the proposed alignment and avoid impacting the road.

This project was to be funded fully from the Royston capital works reserves. As of December 31, 2018 the capital works reserve fund balance was \$1,931,130 and was anticipated to have a balance as at December 31, 2019 of \$1,766,474 prior to this requested budget amendment.

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