

DATE OF MEETING SEPTEMBER 18, 2019

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SUBJECT **HAMMOND BAY ROAD WIDENING AND UTILITY IMPROVEMENTS PROJECT**

OVERVIEW

Purpose of Report

To advise the Finance and Audit Committee of an increase to the budget for the Hammond Bay Road Widening and Utility Improvements project and obtain Council approval to allocate additional funding from the Development Cost Charge Road Reserve to the project.

Recommendation

That the Finance and Audit Committee recommend that Council approve the addition of \$195,107 from the Development Cost Charge (DCC) Roads Reserve for the Hammond Bay Road Widening and Utility Improvements Project.

BACKGROUND

The Hammond Bay Road Widening and Utility Improvements Project is included in the 2019 Financial Plan with a budget of \$2,072,254. The project is being completed to stabilize slopes and replace aging underground utilities in the section of Hammond Bay Road between Prince John Way and Stephenson Point Road.

DISCUSSION

The first iteration of the project was tendered in April 2017 and closed without receiving any bids. After two years on hold, the project was restarted this year. The watermain upgrade portion of the work was completed earlier this year and the road widening and storm sewer upgrades were tendered in May 2019. Based on the tender pricing, the cost to complete the project is estimated at \$2,328,974.

Several factors contributed to the project being over budget including:

- Restarting the project required re-engagement of the consulting team, and adjustment to the design drawings.
- Redesigning elements of the project to remove elements of risk. While this likely reduced the construction costs and made the project more attractive to bidders, it is required a significant investment and design changes.
- The project was budgeted assuming staff resources would be available to complete the construction management and inspection during construction, resources were not available so this work is being completed by an engineering consultant.

An additional \$256,720 is required to complete the project. The road and storm sewer portion of the project is a Development Cost Charge (DCC) project with a split of 75% attributed to growth and 25% attributed to existing residents with a 1% assist factor. Therefore \$195,107 (74%) would be funded from DCC Roads Reserve with the allocation for existing residents, \$61,613 (26%) to be funded by a budget transfer from the Engineering and Public Works Contingency Fund.

OPTIONS

1. That the Finance and Audit Committee recommend that Council approve the addition of \$256,720 to the Hammond Bay Road Widening and Utility Improvements Project to be funded from a budget transfer and DCC Road Reserves.
 - Financial Implications: This change will be included in a future budget bylaw amendment for the 2019 – 2023 Financial Plan.
2. That Council provide alternative direction. |

SUMMARY POINTS

- The expected costs for the Hammond Bay Road Widening and Utility Improvements are projected to exceed the budget by about \$256,720 or 15%.
- Cost overruns can be funded from the Engineering and Public Works Contingency Fund and the DCC Roads Reserve Fund.

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