

DATE OF MEETING DECEMBER 16, 2020

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**SUBJECT BOWEN ROAD UTILITY AND CORRIDOR UPGRADES**

## **OVERVIEW**

### **Purpose of Report:**

To advise Council of additional costs associated with the construction of the Bowen Road Utility and Corridor Upgrade Project.

## **DISCUSSION**

The Bowen Road Utility and Corridor Upgrade Project was included in the 2020 Financial Plan with a budget of \$2,013,380. Construction of the project is now complete. As a result of some unexpected construction conditions detailed below, the budget was exceeded by about 14% (\$295,000).

The project replaced an aging road surface and upgraded underground utilities in the section of Bowen Road between Labieux Road and the Island Highway. Work began in June 2020 and was completed in November 2020. Several factors contributed to the project being over budget, including:

- Night work, while reducing the impact to the traveling public, led to increased labour costs and slower productivity than expected.
- There were several discrepancies with respect to the underground infrastructure between what was found and what historical records showed, which led to changes and increased costs.
- Several unexpected conditions were encountered such as rock, which increased costs beyond what was expected.

An additional \$295,000 in funding is required. The road portion of the project requires \$179,950 and will be transferred from other 2020 road projects that came in under budget. The water portion is a DCC project with 60% allocated to growth, less the 1% assist factor. Therefore, an additional \$67,880 will be allocated from the City Wide Water Distribution DCC Reserve Fund and \$47,170 will be transferred from other 2020 water projects that came in under budget.

Given the magnitude of the budget transfer and the need to allocate additional funding from the City Wide Water Distribution DCC Reserve Fund, specific disclosure to Council is warranted. The additional funding from the City Wide Water Distribution DCC Reserve Fund will be included in a future budget bylaw amendment for the 2020 – 2024 Financial Plan.

### **SUMMARY POINTS**

- The costs for the Bowen Road Utility and Corridor Upgrade Project, exceeded the budget by about 14% or \$295,000.
- The project had unexpected challenges during construction which led to the cost overruns.
- Funds are available within the 2020 – 2024 Financial Plan to cover some of the additional costs of the project.
- A future budget bylaw amendment is required to allocate funds from the City Wide Water Distribution DCC Reserve Fund to the project.

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