

This document can be made available in other accessible formats as soon as practicable and upon request

STAFF REPORT: Infrastructure and Public Works



REPORT TO: **Committee of the Whole**
MEETING DATE: **April 4, 2016**
REPORT NO.: **CSPW.16.046**
SUBJECT: **Engineering Services Fee
 Increase for Grey County Road
 21 Trunk Sewer**
PREPARED BY: **Mike Campbell, Construction
 Coordinator**

A. Recommendations

THAT Council receive Staff Report CSPW.16.046 entitled “Engineering Services Fee Increase for Grey County Road 21 Trunk Sewer”;

AND THAT Council approve increasing the upset fee estimate for C.C. Tatham & Associates Limited to provide engineering services for the Grey Road 21 Trunk Sewer Project by \$15,000 from \$233,000 to \$248,000 consisting of a \$233,000 upset fee estimate plus a \$5,000 fee contingency, excluding HST.

B. Background

The Grey County Road 21 Trunk Sewer project was undertaken to provide sanitary servicing to the Windfall Development and surrounding area. The project has been front ended by the Georgian International by agreement.

On April 23, 2014, Staff Report EPW.14.027 entitled “Tender Acceptance for Grey County Road 21 Trunk Sewer” was presented to the Committee of the Whole. The report was subsequently approved by Council. This report recommended acceptance of the tender from Harold Sutherland Construction Ltd (Sutherland) in the amount of \$1,821,993. The Town holds a security of \$2,521,655 provided by Georgian International to assure the construction of the trunk sewer and related engineering services.

On February 2, 2015 Staff Report EPW.15.010 entitled “Additional Funds for Grey County Road 21 Trunk Sewer Engineering Services” was presented to the Committee of the Whole. The report was subsequently approved by Council. This report recommended increasing the engineering budget from \$146,028 to \$233,000. The engineering services increase was warranted based on the time and effort expended by C.C. Tatham and Associates (CCTA) due to delays from when the Engineering Services Agreement (ESA) was executed in 2011 and the start of construction in 2014 and the to the construction contract as well as delays during construction. At the time the report was written the construction was incomplete and a number of deficiencies associated with the asphalt were known. It was anticipated that the work would be completed and deficiencies corrected in the summer of 2015.

A deficiency inspection was completed on April 23, 2015. Due to the extent of the asphalt deficiencies a Pavement Investigation was completed dated May 13, 2015. The report was forwarded to Sutherland and a meeting to discuss the issue was conducted with the Town, CCTA, Grey County and Sutherland. While it was anticipated that the discussion would be limited to correcting the deficiencies, Sutherland has indicated that they wish to discuss also discuss their costs associated with other contract items as well.

Since the extent of coordination, discussions and negotiations underway with respect to the asphalt deficiencies and other cost claims are well beyond that which would have been anticipated when the previous fees were set, it is reasonable to consider an increase in the engineering fees. CCTA has estimated that \$10,000 should be allocated. Staff however also suggest that a \$5,000 fee contingency be carried as well in the event the contract conclusion is much delayed.

	Fees
Report EPW.11.101:	\$146,028
Report EPW.15.010 increase:	\$86,972
Additional Contract Administration:	<u>\$10,000</u>
Upset Fee Limit:	\$233,000
Fee Contingency Allowance:	<u>\$5,000</u>
Total	\$238,000

Staff recommend Council approve increasing the upset fee estimate for C.C. Tatham & Associates Limited to provide engineering services for the Grey Road 21 Trunk Sewer Project by \$15,000 from \$233,000 to \$248,000 consisting of a \$233,000 upset fee estimate plus a \$5,000 fee contingency, excluding HST.

C. The Blue Mountains' Strategic Plan

Goal #5 - Ensure that our infrastructure is sustainable

D. Environmental Impacts

None

E. Financial Impact

As outlined in the body of the report, the funding will come from the securities that the Town holds for the project. As of this date the Town is still holding a sufficient amount of securities to finish this project and fund the additional budget required for engineering services. That available securities exceeds the incurred costs as outlined in the table below.

Available Security Summary

Contractor:	\$1,821,993
Engineering including increase:	\$238,000
Incurred Costs:	\$2,059,993
Available Security:	<u>\$2,521,655</u>
Excess of Security over Incurred Costs	\$461,662

F. In Consultation With

Sam Dinsmore, Manager of Accounting and Budgets
Serena Wilgress, Manager of Purchasing & Risk Management

G. Attached

None.

Respectfully submitted,

Mike Campbell

Mike Campbell
Construction Coordinator

Reg Russwurm

Reg Russwurm, MBA, P.Eng
Director of Infrastructure and Public Works

For more information, please contact:

Mike Campbell
mcampbell@thebluemountains.ca
519-599-3131 x 275