

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT



REPORT TO: **Engineering and Public Works Committee**
MEETING DATE: **January 29, 2008**
REPORT NO.: **EPW.08.10**
SUBJECT: **Contract No. TBM-2007-02 Lora Bay
Phase 1B Sewer & Water Servicing -
Request for Additional Engineering Fees**

PREPARED BY: **John Caswell, Manager of Water and
Wastewater Services Division**

A. Recommendations

THAT Council approve increasing the upset fee estimate by \$79,540.00 from \$236,453.00 to \$315,993.00 excluding GST, for engineering services by Conestoga-Rovers & Associates for the Lora Bay Phase 1B Sewer and Water Servicing project.

B. Background

On April 10, 2006, Council passed a resolution authorizing the Mayor and Clerk to sign an agreement with Conestoga Rovers & Associates for Engineering Services relating to the design, tendering, and supervision of construction and contract administration of the sanitary sewer, water, roads and drainage works on Lora Bay Drive & Sunset Boulevard. The estimated fee cost was \$206,453.00 plus \$30,000.00 Engineering Contingency for a total of \$236,453.00. These costs were identified in Staff Report No. EPW.06.80 (Attachment #1)

This project (Lora Bay Phase1B, Contract No. TBM-2007-02), is part of The Lora Bay Corporation's development and also services Keeper's Cove and the existing residential properties that front on the project.

Over the course of the project, several changes have taken place that resulted in additional engineering fees being expended that were not anticipated at the start of the project. Conestoga-Rovers & Associates provided a comprehensive summary of the contract changes which have resulted in additional engineering fees. A detailed breakdown of the engineering effort required to complete each change is included in Attachment #2 and is expected to be the total upset limit through to project completion.

The additional fees that Conestoga-Rovers have identified are as summarized in Table 1. Staff concur that the items are outside of the original scope of work and payment is warranted. Staff also feel that a fee contingency of \$10,000.00 is prudent for this project. Conestoga Rovers & Associates can not expend the contingency fee unless approved by the Town.

Three of the items are the responsibility of Lora Bay Corporation and will be paid by the Lora Bay Corporation with no cost to the Town. These items are also identified below.

Table 1

	<u>Fee Increase</u>
Item 1 - Increased Flow of Pump Station from 55 L/s to 73 L/s	\$14,500.00
Item 2 - Additional Effort Required for Resident Correspondence	\$1,400.00
Item 3 - Addition of Barrier Free Washrooms at Pumping Station	*\$13,500.00
Item 4 - Rate Increase for 2007	\$5,400.00
Item 5 - Addition of Demolition of Existing Cottage	\$1,800.00
Item 6 - Additional Printing Costs During Tendering	\$4,500.00
Item 7 - Modification of Storm Sewer System and Grading to Accommodate changes to the Lora Bay Corporation Development	* \$3,500.00
Item 8 - Construction Inspection Fees	\$52,440.00
Item 9 - Re-Alignment of Community Trail in Vicinity of Sewage Pumping Station Site	* \$2,500.00
Item 10-Fee Contingency	<u>\$10,000.00</u>
Additional Fees Requested	<u>\$109,540.00</u>

*These costs will be paid 100% by Lora Bay Corporation. (Total \$19,500.00)

Approved Total Engineering Fees(Report EPW.06.80)	\$206,453.00
Additional Fees Requested (as above)	<u>\$109,540.00</u>
<i>Total Recommended Fees</i>	<i>\$315,993.00</i>
Less Original Approved Engineering Fees Including Contingency	<u>\$236,453.00</u>
Total Additional Recommended Engineering Fees	<u>\$79,540.00</u>

The overall capital costs for this project were estimated at \$3,975,185.00. The total recommended engineering fees of \$315,993.00 (\$236,453.00 + \$79,540.00) represents approximately 12.5% of the overall capital cost which is a reasonable engineering cost for this project. Currently, the Town budgets 15% of capital costs for Engineering Fees for projects of this nature.

The installation of sanitary sewer and watermains is 100% complete. The stormwater and road reconstruction works have also been completed with a first lift of asphalt being placed. The second lift of asphalt will be placed in late spring/early summer of 2008. The pumping station has been completed and Hydro One has recently completed their work to provide hydro service to this pump station.

It is anticipated that the commissioning of the works will be completed by the end of January 2008 and Substantial Completion will be issued subsequent to the commissioning.

C. The Blue Mountains' Strategic Plan

Town's Strategic Plan Goal # 2, "Addressing the Town's Municipal Infrastructure Needs".

D. Budget Impact

As detailed in Staff Report No. FS-07-19, dated June 4th, 2007, the tender costs plus the estimated cost for engineering and contingencies for the project were estimated at \$4,211,638.29.

The overall project costs are provided and compared to the estimate:

Construction Tender Cost	\$3,975,185.00
Engineering as per this report	<u>\$ 315,993.00</u>
Total Project Cost	<u>\$4,291,118.00</u>

The 2007 Capital Budget provided \$4,265,345.00 for this project.

Currently the project budget is over by \$25,773.00 (\$4,291,118.00 - \$4,265,345.00) however, there is \$150,000.00 not expended in the construction contingency allowance. Since the project is nearly completed, Staff does not believe the full value of these monies will be expended and therefore do not recommend increasing the overall project budget at this time.

E. Attached

1. EPW.06.80, re: Lora Bay Phase 1B Water & Sewer Servicing, dated April 10, 2006
2. Letter from Chris Hunter, Conestoga-Rovers & Associates, dated December 21, 2007

Respectfully submitted,

John Caswell
Manager of Water and Wastewater Services Division

Reg Russwurm
Director, Engineering and Public Works