



Corporate Report

NO: R028

COUNCIL DATE: February 21,

2005

REGULAR COUNCIL

TO: **Mayor &
Council** DATE: **February 9,
2005**

FROM: **General Manager,
Engineering** FILE: **7800-0176-
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SUBJECT: **Elgin Village – Drainage DCC Reimbursement**

RECOMMENDATION

That Council authorize a \$368,909.56 (including 7% GST) Drainage DCC reimbursement to Progressive Construction Ltd. for the Elgin Creek trunk storm sewer works.

BACKGROUND SUMMARY

Progressive Construction Ltd. developed Elgin Village north of 32 Avenue, between 140 Street and 144 Street, in three phases in 2002/2003. As part of the development process, funding was allocated by staff for a DCC reimbursement for trunk storm sewer works to be constructed by the developer, and this was included in the Servicing Agreement. Council authorization is required to process the reimbursement, as the value exceeds staff financial signing authority.

DISCUSSION

As part of the design process for Elgin Village, it was determined that portions of the Elgin Creek Storm Sewer system required upgrading and extension. As this system is a trunk facility included in the 10 Year Plan, the works are DCC reimbursable. As such, funding was set aside by Engineering staff through the Finance, Technology & HR Department for these trunk storm sewer works and a reimbursement estimated at \$370,000 (subject to certified costs) was included in the Servicing Agreement.

The Elgin Creek trunk storm sewer work was completed, the construction accepted, and Progressive Construction Ltd. has provided the City with details of the costs. These costs have been checked in detail by staff against equivalent work based on the lowest bids received by the City for work elsewhere and for the same time period, and an agreement reached with Progressive Construction that the amount payable for this construction is \$344,755.29 + 7% GST = \$368,909.56. Progressive Construction Ltd. paid a total of \$498,800 in Drainage DCC charges for the 106 total single family lots of the three phases of Elgin Village.

Changed Process

Early in 2004, the City changed its process on such DCC reimbursement works. Under the new process, all DCC reimbursement works that will exceed staff's level of financial authority are brought for Council's approval ahead of completing the Servicing Agreement. Additionally, staff require that the reimbursements be based on open

competitive tender prices and the Servicing Agreement clearly establishes an upset limit for the reimbursement amount.

CONCLUSION

Progressive Construction Ltd. completed the Elgin Creek trunk storm sewer works, and has invoiced the City for a cost of \$368,909.56 (including 7% GST). These costs have been reviewed and are in line with competitive prices for other similar works, and consequently, it is recommended that Progressive Construction Ltd. should be reimbursed accordingly. The actual cost of this reimbursement, once the full GST rebate is received, is \$344,775.

As this reimbursement amount exceeds staff signing authority, Council authorization is requested.

Paul Ham, P. Eng.
General Manager, Engineering

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