

DISCUSSION

Early award of this project and ongoing aggressive project management of construction, has resulted in the City being shielded, to a significant degree, from the effects of the current steep escalation of construction costs being experienced in the Lower Mainland. A large part of this project consisted of renovations to existing structures, such as the Council Chambers and the tower, which, by their nature, are difficult to sufficiently define in advance of the structures being opened up. As is typical in these cases, the working drawings on this project did not identify all components of the work required. As a result, additional required work was discovered as the job progressed and contract change order requests were submitted, together with additional costs, to perform the required work.

With regard to the new wing of City Hall, expedited programming and design process deemed necessary at the initial stage to avoid cost escalations have resulted in some late design changes leading to further contract change order requests.

The expenditure authority amount being requested for approval by Council is based on the change orders requested to date and an additional contingency of \$50,000, resulting in the upset cost figure of \$500,000 to complete the project.

Budget Consideration

Although the \$500,000 spending authority being requested in this report is above the contract award, there is sufficient funding within the approved project budget to fund the additional expenditures.

CONCLUSION

The additional expenditure authority is determined to be necessary in order to complete the project in an acceptable manner. The additional costs are reasonable. It is recommended that Council authorize the expenditure of an additional \$500,000 for the completion of the new City Hall addition and renovations to the existing tower building.

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NM/rdd/saw