

Corporate Report

NO: R070

COUNCIL DATE: April 20, 2006

REGULAR COUNCIL

TO: Mayor & Council DATE: April 7, 2006

FROM: Acting General Manager, Planning and FILE: 0800-20 (City Hall)

Development

SUBJECT: City Hall Addition

RECOMMENDATION

It is recommended that Council authorize the expenditure of an additional \$500,000 for the completion of the new City Hall addition and renovation of the existing tower building.

BACKGROUND

At the Regular Council Meeting on February 21, 2005, Council considered Corporate Report No. R033 and approved the award of a contract to Ledcor Construction, as general contractor, for the construction of an addition to City Hall and for the upgrading of and renovations to the existing tower building and Council Chambers, at a total base amount of \$8,738,220, excluding GST. Including design and contract administration, staff had expenditure authority for expenditures of up to approximately \$10,000,000.

The work is now nearing completion and occupancy of the new addition is on schedule, to commence on April 18, 2006.

Council's approval for additional expenditure authority to an upset amount of \$500,000 is required on this project in order to complete all work, as this additional amount is beyond the City Manager's signing authority.

Funding in the approved project budget is available for this requested expenditure authorization.

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.

How Yin Leung Acting General Manager Planning and Development

NM/rdd/saw