



Corporate Report

NO: R236

COUNCIL DATE: December 15, 2008

REGULAR COUNCIL

TO: Mayor & Council DATE: December 12, 2008
FROM: General Manager, Engineering PROJECT FILE: 1706-017
SUBJECT: Increase in Expenditure Authorization
Contract M.S. 1706-017-11/02
156 Street/Highway 1 Underpass

RECOMMENDATION

The Engineering Department recommends that Council approve an increase of \$550,000 in the expenditure authorization of Contract 1706-017-11/02 (156 Street/ Highway 1 Underpass) from \$18,285,000 (including 6% GST), to \$ 18,835,000 (including 5% GST).

INTENT

In November 2007, Council approved the award of Contract M.S. 1706-017-11/02 (Council Resolution No. R07-2972) to BA Blacktop Ltd. for the design and construction of the 156 Street underpass of Highway No. 1. The scope of works of this contract is proposed to be increased but this is subject to Council approval of an increased expenditure authorization for the contract, which is the subject of this report.

DISCUSSION

Construction of the 156 Street underpass is on schedule and is now approximately 80% complete. It is expected that the project will be completed and open to traffic by the end of March 2009.

The costs of relocation of a Kinder Morgan pipeline and of installation of underground ducts for Telus and B.C. Hydro have increased due to a modification in the crossfall of the underpass bridge structures to fit to geometry of the Highway No. 1 pavement as proposed under the Gateway Program.

To accommodate the underpass profile of 156 Street, an existing Kinder Morgan pipeline requires lowering. The majority of this work will be carried out by Kinder Morgan and their contractors with the costs charged to the project. However, portions of the work

will be most efficiently carried out by BA Blacktop Ltd. who already has equipment mobilized on site for this contract. BA Blacktop Ltd. has agreed to carry out the additional work under the contract and Kinder Morgan has agreed that BA Blacktop Ltd. can do this component of the work. The result will be a cost savings to the project.

Construction of the underpass requires the relocation of Telus and B.C. Hydro overhead cables. These will be replaced underground. Telus and B.C. Hydro designs were not complete at the time of tendering and contract award, and thus installation of the underground ducts was not included in the initial contract. BA Blacktop has agreed to carry out this additional work.

Subsequent to the award of the contract, additional geometric design details for the widening of Highway 1 were developed by the Gateway Program. This necessitated a change in the design of the underpass structures resulting in additional construction works not originally contemplated. The B.C. Ministry of Transportation & Infrastructure, through the North Surrey Interchanges Project Agreement with Surrey, is committed to fund 60% of the project, including approved increases in scope of works. In addition, they are committed to funding 100% of any change in scope of works requested by them for their sole benefit, such as the modification to structure crossfall as described above.

The following is a summary of the cost sharing for the increased scope of works:

	Cost	City Share	Province Share
Pipe Line Relocation	\$242,000	40%	60%
Utility Ducts	\$187,000	40%	60%
Modify Structure Crossfall	\$242,000	0%	100%
	\$671,000	\$172,000	\$499,000

A portion of this increase can be accommodated within the existing expenditure authorization limit, leaving a need for approval of an additional \$550,000 in the expenditure authorization.

Funding for the City share of the increased expenditure authorization as recommended in this report is available from within the approved 2008 Engineering Department capital budget.

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