

CORPORATE REPORT

NO: R113 COUNCIL DATE: June 13, 2011

REGULAR COUNCIL

TO: Mayor & Council DATE: June 8, 2011

FROM: General Manager, Engineering PROJECT FILE: 4809-056/07

SUBJECT: Increase Expenditure Authorization for Engineering Services Agreement

No. M.S. 4809-056C - Delcan Corporation

RECOMMENDATIONS

The Engineering Department recommends that Council approve an increase in the expenditure authorization from \$497,232.80 to \$669,859.80, including HST, (i.e., \$172,627) for Engineering Services Agreement No. M.S. 4809-056C, which covers contract administration and project management services for Fraser River Flood Protection Works.

BACKGROUND

In November 2009, the City received a funding contribution through the Build Canada Fund for two-thirds of the costs for the construction of Fraser River Flood Protection Works, to a maximum of \$4.3 million. The works include construction of concrete flood walls, new dykes and tie-ins to existing dykes along the CNR tracks from in the vicinity of Old Yale Road to 130 Street as generally illustrated on the map attached as Appendix I. These works are for the protection of the South Westminster and Bridgeview areas from high water levels in the Fraser River. These flood protection works were made necessary as a result of the Province publishing an updated 200-year flood profile of the Fraser River that predicted up to one metre higher water levels than the original river level profile for which the dykes in this area were designed.

DISCUSSION

Delcan Corporation was retained by the Engineering Department under Agreement No. M.S. 4809-056C to provide construction administration and overall project management services for the Fraser River Flood Protection Works related to construction contract no. M.S. 4810-002-11, under which Wilco Landscape Westcoast Inc. was to substantially complete the construction of the Fraser River Flood Protection Works by November 10, 2010. Delcan Corporation's engineering services agreement for construction administration and overall project management services coincided with the November 10, 2010 completion date and provided an upset fee limit in the amount of \$497,232.80. Substantial completion of construction work was not achieved by the contractor by the original contract completion date of November 10, 2010 but rather completion occurred on March 25, 2011. As a result of the contractor's construction delays, Delcan incurred additional costs in administration and project management services related to the contract. In

addition, during the construction process there were a number of unforeseen issues that arose that required extra effort by Delcan to resolve in a timely manner.

Because the delay in completion of the Fraser River Flood Protection Works was caused by the contractor, the City has deducted \$121,477.10 (before tax) to date from Wilco's progress payments as liquidated damages and additional deductions will be taken on remaining progress payments to the contractor.

FUNDING

Funding for the City's one-third share of the "Fraser River Flood Protection Works" contract is available in the approved 2011 Drainage budget with the Provincial and Federal Governments providing the remaining two-thirds funding contribution through the Build Canada Fund.

CONCLUSION

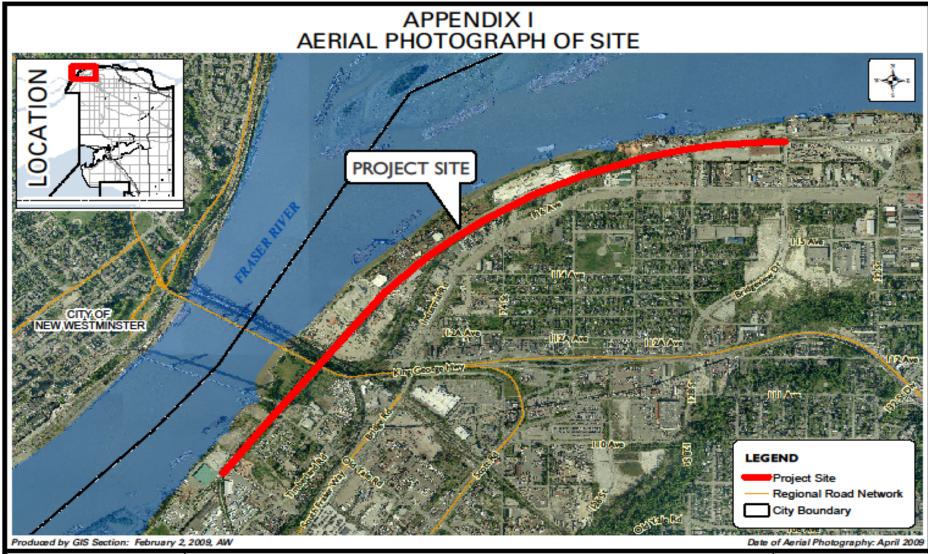
Based on the above discussion, it is recommended that Council approve an increase in the expenditure authorization from \$497,232.80 to \$669,859.80, including HST, (i.e., \$172,627) for Engineering Services Agreement No. M.S. 4809-056C, which covers contract administration and project management services by Delcan Corporation for the construction of Fraser River Flood Protection Works.

Vincent Lalonde, P.Eng. General Manager, Engineering

VL/VJ/brb

Appendix I - Site Plan of Fraser River Flood Protection Works

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Fraser River Flood Protection Site Plan

ENGINEERING DEPARTMENT

The data provided is compiled from various sources and IS NOT warranted as to its accuracy or sufficiency by the City of Surrey. This information is provided for information and convenience purposes only. Lot sizes, Legal descriptions and encumbrances must be confirmed at the Land Title Office.

G:Mapping:GIS/Mapsi CorporateReports/Eng-Utilities* AW-Fraxer_River_Flood_Protection_Site_Flan.mx.d