

CORPORATE REPORT

NO: R136 COUNCIL DATE: JULY 21, 2014

REGULAR COUNCIL

TO: Mayor & Council DATE: July 17, 2014

FROM: Acting General Manager, Engineering FILE: 1713-006-11

SUBJECT: Additional Work for Contract M.S.1713-006-11

Increase Scope of Work for Construction of Connector Road from 52 Avenue to

54 Avenue, in the 19000 Block

RECOMMENDATIONS

The Engineering Department recommends that Council:

- 1. Approve a contemplated change order on Contract M.S. 1713-006-11 to TAG Construction Ltd. in the estimated amount of \$1,076,694.00, including GST, for construction of the connector road linking 52 Avenue to 54 Avenue in the 19000 Block;
- 2. Approve an increase in the expenditure authorization limit in the amount of \$1,250,000.00, including GST and contingency, from \$2,700,000.00 to \$3,950,000.00, which will cover the cost of the above recommended contemplated change order; and
- 3. Delegate the City Manager the authority to execute and sign the associated change order documents for the above recommended works.

BACKGROUND

As part of the Roberts Bank Rail Corridor (RBRC) Project, BA Blacktop is constructing 54 Avenue between 19000 Block and 192 Street, just east of TAG's 52 Avenue contract. The RBRC Design-Build contract included optional work for the construction of a connector road that would link 54 Avenue to the widened portion of 52 Avenue. This optional work under RBRC was subject to the City securing the necessary property requirements. Once constructed, the connector road will provide truck access for the industrial properties located between 184 Street to 192 Street and reduce truck traffic on the local residential streets.

Since 2012, the City has been actively negotiating land title agreements for construction of this connector road. In June 2014 the City had verbally reached an agreement with the final outstanding property.

At its Regular meeting on May 26, 2014 Council adopted the recommendations of Corporate Report No. Ro86;2014 to award Contract M.S. 1713-006-11 to TAG Construction Ltd. for the construction of 52 Avenue road widening from 188 Street to 190th Street. This contract was awarded through a competitive tender whereby TAG Construction was the lowest bid.

The extent of TAG's contract, the RBRC limts and the connector road are illustrated on the map attached to this report as Appendix I.

DISCUSSION

Under the RBRC contract, BA Blacktop bid \$1 Million for the optional work to construct the connector road. Since the original bid documents were assembled, the connector road alignment and width varied, which since resulted in BA Blacktop revising their original quote to \$1.5 Million, with the quote valid if BA Blacktop started construction before June 19, 2014. After this date the City in accordance with the terms of their contract, would be subject to delay claims.

The City reached verbal agreement from the final key property owner on June 16, 2014, and final property transfer documents are now being reviewed by legal representatives of each party and finalized. The City anticipates the documents will be finalized, and the owner will remove stored products and equipment from their property, before August 1, 2014. Thus, the delay in property aquisition would trigger a 6 week delay to BA Blacktop and the City would be responsible for delay claims up to \$150,000.00 per week. The result would be a total BA Blacktop proposed cost in excess of \$2.4 Million, compared to their original quote of \$1 Million.

As previously mentioned, TAG Construction Ltd. is currently working in the immediate area adjacent to the connector road, and their construction contract for 52 Avenue has similar scope of utility and road works as required for the proposed connector road. TAG's pricing on the 52 Avenue contract was secured through a competitive bid process, and their unit rates are lower cost than BA Blacktop. Furthermore, TAG has the staff and equipment resources available to construct the connector road, without delay costs, before October 31, 2014 which would allow the City to obtain the funding through the RBRC Project. The cost sharing arrangement as part of the RBRC project is such that the City is responsible for 11% of the total cost and the remainder is the responsibility of the other funding parters.

Therefore the savings to the City by issuing a contract change order to TAG Construction will result in an eighty-nine percent (89%) savings in the estimated \$1,250,000.00 of construction. Failure to meet the October 31, 2014 RBRC funding deadline will result in the City having to construct the road segment at one-hundred percent (100%) Surrey's cost at a later date.

SUSTAINABILITY CONSIDERATIONS

The project will enhance the public realm by implementing street standards that minimize the negative impacts of transportation facilities on communities, while providing appropriate infrastructure in support of the City's transportation needs. In particular, the project supports the following Ssutainability Charter Scope action elements:

- SC13: Creating a Fully Accessible City; and
- EN 13: Enhancing the Public Realm.

FUNDING

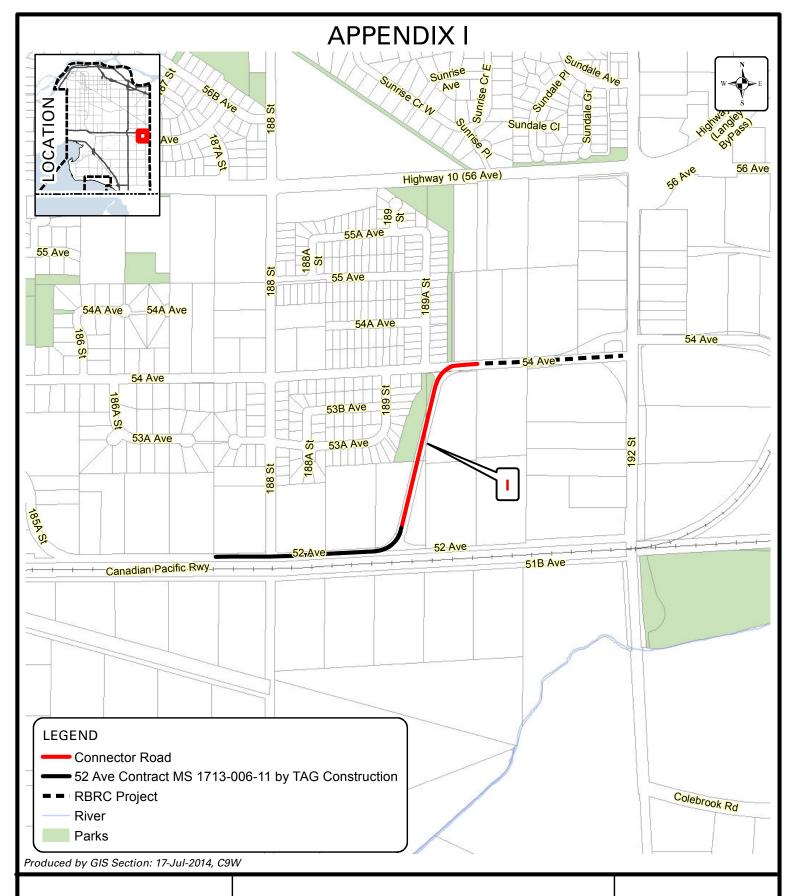
Funding for this additional work is available from a contribution from the RBRC project and the remaining funding is available in the approved 2014 Transportation Budget.

Gerry McKinnon Acting General Manager, Engineering

GMC/SN/hl/ras

Appendix I - Map of Location - 52-54 Avenue Connector Road Project

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52-54 AVE CONNECTOR ROAD PROJECT R06/13

ENGINEERING DEPARTMENT