

COUNCIL REPORT

M&C No.	2019- 321
Report Date	November 25, 2019
Meeting Date	December 02, 2019
Service Area	Transportation and Environment Services

His Worship Mayor Don Darling and Members of Common Council

SUBJECT: Contract 2019-02: Mecklenburg Street (Sydney Street to Wentworth Street) – Water, Sanitary and Storm Sewer Renewal and Street Reconstruction

OPEN OR CLOSED SESSION

This matter is to be discussed in open session of Common Council.

AUTHORIZATION

Primary Author	Commissioner/Dept. Head	City Manager
<i>Joel Landers</i>	<i>Michael Hugenholtz / Brian Keenan</i>	<i>John Collin</i>

RECOMMENDATION

It is recommended that Common Council:

1. Approve an adjustment to the 2019 General Fund Capital Program – Transportation Category to reallocate \$95,000.00 from the Engineering Investigations and Design line item to the Mecklenburg Street – Transportation budget.
2. Approve an increase to the Contract award amount to Galbraith Construction Ltd. for Contract 2019-02: Mecklenburg Street (Sydney Street to Wentworth Street) – Water, Sanitary and Storm Sewer Renewal and Street Reconstruction from \$1,546,001.10 to \$1,641,001.10

EXECUTIVE SUMMARY

The purpose of this report is to update Council on the status of the Mecklenburg Street (Sydney Street to Wentworth Street) – Water, Sanitary and Storm Sewer Renewal and Street Reconstruction Project.

PREVIOUS RESOLUTION

July 30, 2018; 2019 Water & Sewerage Utility Fund Capital Program approved

July 30, 2018; 2019 General Fund Capital Program approved

April 23, 2019; 2019-02 Mecklenburg Street Project Award

September 23, 2019; 2019-02 Mecklenburg Street Project Update

REPORT

BACKGROUND

The approved 2019 General Fund and Water and Sewerage Utility Fund Capital Program includes funding for the reconstruction of Mecklenburg Street from Sydney Street to Wentworth Street. The work involves the replacement of the existing watermain, sanitary sewer, a new storm sewer for separation, full street reconstruction including new concrete curb and sidewalk, roadway granulars, asphalt, grass median and trees.

On September 23, 2019 (M&C 2019-244) staff updated council regarding encountering contaminated soils on Mecklenburg Street during trench excavation.

Council adopted the recommendation of M&C 2019-244 to reallocate \$187,000 of surplus funds from other completed 2019 General Fund Capital Program – Transportation Category projects and further to increase the Contract award amount to Galbraith Construction Ltd. from \$1,189,001.10 to \$1,546,001.10.

The September 23, 2019 Council report stated that “Staff will update Council with final project costs, should the final cost exceed the current projection.”

ANALYSIS

The watermain, sanitary and storm sewer installation and street reconstruction for this project commenced in June 2019 and was completed in October 2019. As is normal for most large construction projects there has been some unforeseen work arise through the course of the construction project. Most of the unforeseen work to date has been what is considered typical for a project of this nature with one exception.

During the course of the works, the Contractor encountered contaminated soils that was inconsistent with previous projects in the area. As per the Department of Environment and Local Government regulatory requirements, the City immediately informed the local Environment Inspector that material excavated during construction contained petroleum products or derivatives. The Department of Environment requested that an environmental engineering consultant be retained to assess, sample, recommend a course of action and report on the findings to the City and the Environment. The City requested Dillon to assess the situation and test, advise and report on the contaminant(s) found.

At the request of the Department of Environment and Local Government samples were completed on Mecklenburg Street in order to determine the level of contamination in the area. The City’s environmental engineering consultant obtained samples, from several locations along the street. All samples were sent away for testing and the lab test results came back positive for petroleum product contamination on each of the samples.

The areas of contaminated soil were excavated, treated and disposed of at an approved site. Contaminated soils such as these are not able to be disposed of in the same manner as common excavation. The estimated additional costs incurred for this unforeseen work includes the cost of removal, treatment and disposal. City staff attempted to minimize the impact to the project by reusing material in the backfill process where possible, helping to mitigate some of the potential costs.

FINANCIAL IMPLICATIONS

The environmental engineering consultant has completed their soil sampling work and have provided their site recommendations to the City and the Department of Environment and Local Government. The recommendations included excavation, removal, treatment and disposal of the contaminated soils. The final report has now been submitted to the Department of Environment and Local Government.

The original contract included a contingency in the amount of \$127,000 for typical unforeseen work that would arise over the course of construction. Normally, this contingency amount would be sufficient to cover unforeseen work but with the contaminated soils encountered, the contract will exceed the award amount by approximately \$ 452,000 based on final quantities.

Additional supplementary funding in the amount of \$95,000 is now required to offset the additional costs identified in this report. It is proposed to utilize \$95,000 of surplus funding from the Engineering Investigations and Design line item approved in the 2019 General Fund Capital Program – Transportation Category.

STRATEGIC ALIGNMENT

This report aligns with Council's Priority for Valued Service Delivery, specifically as it relates to investing in sustainable City services and municipal infrastructure.

SERVICE AND FINANCIAL OUTCOMES

Staff have proceeded with the removal and disposal of the contaminated soils encountered as per environmental regulations and this report provides the final project costs.

INPUT FROM OTHER SERVICE AREAS AND STAKEHOLDERS

N/A

ATTACHMENTS

N/A