

Staff Report



Development Services Department

www.kitchener.ca

REPORT TO: Finance and Corporate Services Committee

DATE OF MEETING: October 30, 2023

SUBMITTED BY: Chris Spere, Director Engineering, 519-741-2200 ext. 7412

PREPARED BY: Chris Spere, Director Engineering, 519-741-2200 ext. 7412

WARD(S) INVOLVED: Ward 8

DATE OF REPORT: September 12, 2023

REPORT NO.: DSD-2023-474

SUBJECT: Rossford Crescent Reconstruction budget and purchase order increase

RECOMMENDATION:

That the budget for the Rossford Crescent Reconstruction be increased by \$400,000, funded by WIP; and,

That the purchase order for AECOM be extended by \$228,500;

REPORT HIGHLIGHTS:

- The purpose of this report is to increase the budget for a project that is more complex, with a longer construction duration and a delayed start than initially thought due to design changes that occurred during construction.
- The financial implications are limited to an additional transfer from the WIP reserve,
- This report supports the delivery of core services.

BACKGROUND:

Engineering Services is proceeding with the reconstruction of Rossford Avenue. The services on this road were originally constructed in the 1960's and were in need replacement. Funds for construction have been approved by Council as part of the 2022 budget.

The administration, design and tendering, and the construction administration and inspection of this project is being completed by a consultant, AECOM.

Full funding for this project has been approved by council as part of the 2022 budget process. The project was scheduled to be completed in a single year beginning July 2022, but has extended over two years, and is located within the Ward 8 boundary.

*** This information is available in accessible formats upon request. ***
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

This work is being completed under the City's Water Infrastructure Program (WIP) for road reconstructions. The length of the project is approximately 530 metres.

Construction of the Rossford Crescent Reconstruction was publicly tendered by the city and was awarded in the spring of 2022 at a cost of \$4,659,323.24.

AECOM's original purchase order was issued for the amount of \$248,600. This included design, tendering and construction services based on 95 days of construction.

REPORT:

This reconstruction was tendered and had construction being completed in 2022.

A post tender change to the project scope occurred, which removed several items that were initially included in the tender. This resulted in a cost savings but changed the planned construction methodology and extended the construction duration for the project.

Construction started late in part due to material delivery issues and locate delays. Construction production has been slower than what was anticipated and was included in the tender and consultant assignments. This resulted in a longer construction duration and the project requiring stages to be completed in 2022 and 2023.

Additional time and effort for our consultant is required due to the changes in construction methodology and ultimate duration of the construction. The initial consultant assignment included 95 days of anticipated construction days. During tendering the construction contract was increased to 120 days and an additional 110 days are now necessary to complete the project in 2023 (total of 230 construction days).

It is staff's recommendation that the additional unanticipated costs for the reconstruction of Rossford Crescent be funded by WIP. The reasons for this include:

- Additional construction time not anticipated in the initial consultant assignment.
- Additional construction staging spanning multiple construction seasons.

The purchase orders for the consultant (AECOM) will need to be increased by \$228,500.

STRATEGIC PLAN ALIGNMENT:

This report supports the delivery of core services.

FINANCIAL IMPLICATIONS:

Capital Budget – The recommendation would result in a \$400,000 transfer from the WIP reserve to the Rossford Crescent capital account. There is sufficient funding in the WIP reserve.

Operating Budget – The recommendation has no impact on the Operating Budget.

COMMUNITY ENGAGEMENT:

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

PREVIOUS REPORTS/AUTHORITIES:

- ***FIN-2021-60 – 2022 Capital Budget and 10-Year Forecast***

APPROVED BY: Justin Readman

ATTACHMENTS: