

TO:	CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON OCTOBER 24, 2017
FROM:	KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL & ENGINEERING SERVICES AND CITY ENGINEER
SUBJECT:	CLEAN WATER & WASTEWATER FUND: 2017 GROSVENOR STREET INFRASTRUCTURE RENEWAL PROJECT UPDATE

RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, the following report regarding the Grosvenor Project **BE RECEIVED** for information.

2015-19 STRATEGIC PLAN

The following report supports the Strategic Plan through the strategic focus areas of Building a Sustainable City and Leading in Public Service directly and indirectly as follows: addressing the infrastructure gap, building robust infrastructure, enhancing safety for all road users in the city, and managing and improving our water, wastewater and stormwater infrastructure and services.

Renew London 2017 is committed to delivering excellent customer service and providing great customer experiences to residents, business and visitors by communicating projects in advance and coordinating all work to help build and deliver efficient infrastructure and minimize delays and inconveniences to the public during construction.

PREVIOUS REPORTS PERTINENT TO THIS MATTER
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Civic Works Committee – July 17, 2017 – Clean Water and Wastewater Fund Contract Award: Appointment of Consulting Engineer for Contract Administration Services Associated with the Construction of 2017 Infrastructure Renewal Projects: Elworthy Ave./ Franklin Ave. & Grosvenor St.

BACKGROUND

Purpose

The purpose of this information report is to provide Committee and Council with an update to an emerging issue related to the reconstruction project on Grosvenor Street, the steps being taken to address the issue and the potential implications including project scope, delivery timelines and contract costs.

Context

As per the Procurement of Goods and Services Policy, Section 20.3 e (ii), contract amendments, Municipal Council must authorize contract amendments when the total amended value of the contract will exceed the Council approved source of financing by an amount greater than \$50,000 or 3% of contract value and there are funds available. At the present time, while the change in scope and its budget implications are under review, this report provides Council with notice and background information for a potential contract amendment as mitigation may need to proceed in a expediated manner due to the nature of the issue.

DISCUSSION

The Grosvenor Street Road Reconstruction project was identified as a high priority in the replacement programs due to the condition of the municipal infrastructure. The contract was awarded to CH Excavating Construction (contractor) for \$2,364,399.03 (excluding HST). Ricor Engineering Ltd. (Ricor) was approved to carry out resident inspection and contract administration for the project.

This project involves the reconstruction of Grosvenor Street from Maitland Street to Adelaide Street (±490m) and includes the replacement of existing sanitary sewers and services where requested, installation of new storm sewers and appurtenances, replacement of existing watermains, appurtenances and individual services, full road restoration including new granular subbase\base, asphalt, curb & gutter, sidewalks, boulevards.

This project was submitted in October 2016 to the Clean Water and Wastewater Fund (CWWF) and has been subsequently approved for funding. The first phase of funding for the Clean Water and Wastewater Fund (CWWF) is a 2 year - \$2 Billion Government of Canada investment to meet immediate priorities for clean water and wastewater to support a cleaner and healthier environment for communities. CWWF focuses on investing in projects that:

- Rehabilitate and optimize water, stormwater and wastewater related infrastructure;
- Improve asset management approaches including pilots and studies;
- Plan for future upgrades to wastewater treatment and collection infrastructure; and
- Include new construction projects like naturalized systems.

During excavation and removal of the existing road base it was discovered that there was an existing concrete subbase that ran the length of the project. While it was known that there would be some portions of the road with a concrete subbase, the extent to which it was discovered was never anticipated. The removal of this additional concrete road base has lead to unanticipated additional costs.

Additionally, there was a significant amount of precipitation experienced in the spring/summer of 2017. It was originally intended that a majority of the native material on site could be re-used for backfilling the sewer trenches. Due to the type of material found in this localized area of London and the significant moisture content, the native material could not be used and additional granular material had to be brought in at unit rates identified in the contract. The original quantity of granular material that was estimated in the contract has been exceeded and the final quantity needed is still being determined.

The City's consultant remains on site full time to verify all material quantities, labour hours and equipment usage to validate costs submitted by the contractor. The contingency for this project is \$220,000.00. The adequacy of which will be determined and reported to Council if a contract price amendment is required.

CONCLUSION

The City has encountered unforeseen underground subbase and soil conditions on the Grosvenor Street reconstruction project. The City continues to work diligently with the consultant and the contractor to minimize additional costs to the project and is committed to doing everything possible to complete the project on budget, however there is a risk that this project may exceed the contingency.

In order to complete the remaining contract work and meet project goals there is a potential for a future amendment to the existing contract. Administration will report to Committee and Council at a later date if required to address the contract costs and approved funding.

ACKNOWLEDGEMENTS:

This report was prepared with assistance from Brian Nourse, P.Eng., Construction Administration Division.

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