

Memo



Date: June 21, 2011

File: 1345-20

To: City Manager

From: Manager, Strategic Projects

Subject: Budget Amendment Request for John Hindle Drive and Landfill Entrance Facilities Project

Recommendation:

THAT Council receives, for information, the Report from the Manager, Strategic Projects dated June 21, 2011 regarding the budget amendment required for John Hindle Drive and Landfill Entrance Facilities Project;

AND THAT Council approves a budget amendment of \$2.4 million for this project be funded from landfill Reserves;

AND FURTHER THAT the 2011 Financial Plan be amended accordingly.

Purpose:

To provide Council with a 95% design update with the request of a budget amendment to the 2011 approved budget for the required money necessary for the approved project.

Background:

Council approved the John Hindle Drive and Landfill Entrance Facilities Project in the 2011 provisional budget with a pre-design estimate of \$9.830 million.

The detailed design work was awarded to Associated Engineering in March 2011. The scope of work has been altered through the development of the tender documents to improve the functionality of the project. The 95% cost estimate is higher than the originally approved budget. Rigorous due diligence has been exercised to limit changes to those considered absolutely necessary without compromising the project. The following is a summary of scope changes listed by magnitude of cost:

- 1) Roadworks and utilities: design standards increased to 70 kph from 60 kph, gradient reduced to meet higher standard for future 4 lane road with a multi-use pathway in this portion of the project, water utilities upgrades (\$1.264 million increase);
- 2) Landfill Entrance Facilities: additional concrete for the base area of the landfill facilities to support the scales and buildings (\$1.203 million increase);
- 3) Landfill Entrance Civil Works: topsoil removal, gradient changes, larger footprint for transfer station (\$0.733 million cost increase);
- 4) Facilities Composting for Sanitary: composting toilets and on-site grey water management (\$1.0 million decrease).

There were other minor scope changes with a net addition of \$2.4 million. It is anticipated that favourable pricing will be obtained when the project is tendered in the next few weeks, however sufficient budget must be approved prior to proceeding with tender.

Internal Circulation:

Director of Finance

Financial/Budgetary Considerations:

The \$2.4 million required is funded from Landfill Reserves and has been included in the Solid Waste Financial Modeling

Considerations not applicable to this report:

Legal/Statutory Authority
Legal/Statutory Procedural Requirements
Existing Policy
Personnel Implications
External Agency/Public Comments
Community & Media Relations Comments
Alternate Recommendation

Submitted by:



M. Watt, Manager, Strategic Projects

Approved for inclusion:



R. Cleveland Director, Infrastructure Planning

cc: Director, Design and Construction