



Governance and Priorities Committee Report For the September 17, 2015 Meeting

To: Governance and Priorities Committee **Date:** September 10, 2015
From: Jas Paul, Assistant Director, Engineering
Subject: 2015 Watermain Replacement Budget Adjustments

Recommendation

That Council approve adjustments to the 2015 water capital budget including:

- Increase the project budget for the Rockland Avenue watermain replacement project by \$120,000; and
- Deferral of the Lyall Street watermain project to 2016.

Executive Summary

The City has an annual program to replace watermains which have been identified as having a system deficiency, inadequate capacity, or having gone well beyond their life expectancy. Projects are selected based on the Water System Master Plan prioritization, the latest failure (leaks/breaks) history and coordination with other infrastructure projects. The budget for watermain replacements in 2015 is \$3.2 million and includes over two kilometres of main replacement.

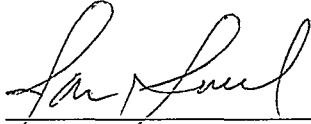
The City recently issued a tender for watermain replacement work on Rockland Avenue between Gonzales Avenue and Lyman Duff Lane. The tender closed on September 3, 2015 with three proponents submitting bids, Chew Excavating, Scansa Construction and York Excavating. The lowest bid was submitted by Scansa Construction in the amount of \$569,807.80.

The budget allocated for this project is \$450,000. Staff developed this budget last fall before a detailed design was completed. When project budgets are developed for watermain construction staff review past projects to develop unit rates for construction. The length of watermain replacement is then multiplied by the appropriate unit rate and a budget estimate is prepared. The alignment or exact placement of the new watermain is not developed until the detail design is complete and details such as proximity to other infrastructure, traffic impacts and volume of rock removal is not known.

The lowest bid for the Rockland project exceeds the budget by \$119,807.80. There are several likely reasons why the bids came in higher than the budget including; presence of rock, proximity to gas mains, and possible market conditions. The proposed alignment of the watermain relative to the road travel lanes is also a likely factor as the contractor must keep one lane open for traffic during construction.

The Rockland watermain is 109 years old and has been identified as priority for replacement in the Water System Master Plan. It is recommend that the Rockland watermain replacement project should be completed this year. To facilitate the increased budget requirement, it is recommend that the Lyall Street, Peters to Head (Esquimalt) watermain replacement be deferred to 2016. The budget allocated to Lyall Street is \$150,000 and this will be used to increase the Rockland Avenue budget and proceed with award of the tender.

Respectfully submitted,



Jas Patil,
Assistant Director, Engineering



Report accepted and recommended by the City Manager: _____

Date: September 10, 2015