



Governance and Priorities Committee Report For the July 16, 2015 Meeting

To: Governance and Priorities Committee **Date:** July 9, 2015
From: Jonathan Huggett, P. Eng.,
Project Director
Subject: Johnson Street Bridge Replacement Project Quarterly Update

Executive Summary

Quarterly reports are prepared on the Johnson Street Bridge Replacement Project throughout the year to keep Council and the community updated on this important project. This is the third quarterly report for 2015, with the next one scheduled for December 3, 2015. Should any emergent issues arise, staff will provide an immediate update to Council.

Since the update on May 7, 2015, the project schedule has been revised to reflect delays in the delivery of the structural steel. The schedule has been updated to reflect spring 2017 (last identified as January 2017) as the timeframe the new bridge will open to traffic and open for public use, with a final project completion timeframe of fall 2017 (last identified as June 2017). Ongoing delays to the fabrication of the steel in China continue, partly due to stringent quality control and assurance imposed by both PCL and the City.

The approved budget for the Johnson Street Bridge Project is \$94.3 million. Council has directed staff to request funds as required. Potential additional costs have been identified at an estimated \$3.858 million. These additional costs include professional consulting services, habitat compensation, multi-use trail overpass, staff resourcing, and legal costs.

- After applying the \$1.304 million unallocated portion of the contingency budget, approved by Council on March 26, 2015, the result is an estimated \$2.554 million funding shortfall.
- Therefore, it is recommended that an additional budget of \$2.554 million be approved with funding from the Buildings and Infrastructure Reserve.

The City will seek to recover these costs through the mediation process where applicable, and any costs recovered would be returned to the Buildings and Infrastructure Reserve.

There remain a number of unresolved issues including costs of fendering, public realm, claim for additional professional consulting services, legal, mediator, and additional material costs. The total of these costs have not yet been determined, however the total is significant and will require additional funding. Council will be provided with updates as further information becomes available.

The City is a recipient of UBCM Gas Tax funding of \$16.5 million. UBCM has approved an extension of funding for the project until March 2018 for the General Strategic Priorities Fund Grant agreement. The previous deadline was March 2017.

Mediation regarding various claims for additional costs by both PCL and MMM and its sub-consultant is on-going with the exchanges of information between the parties taking place in expectation of the first of several formal mediation sessions, starting in early December.

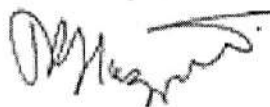
At the May 7, 2015 Governance and Priorities Committee meeting, Council requested that consultations around the public realm commence soon. Due to the financial and time sensitive nature of critical project elements such as steel fabrication and the mediation process, priority has been given to these elements. At the same time, staff across departments is reviewing the indicative designs, budget, and revised schedule to finalize engagement options. Given changing budget and timelines considerations, as well as the specific details related to the public realm, such as the location and space needed for the rail station, staff recommend a discussion with Council before commencing consultation. A separate report on the public realm will be forthcoming in August.

Recommendations

That City Council:

1. Approve an increase to the project budget of \$2.554 million with funding from the Building and Infrastructure Reserve.
2. Direct staff to transfer to the Building and Infrastructure Reserve any costs recovered from other parties.
3. Direct staff to bring forward an amended Financial Plan Bylaw to the July 23, 2015 Council meeting.
4. Direct staff to update Council on public realm options at the August 20, 2015 Governance and Priorities Committee meeting.

Respectfully submitted,



Jonathan Huggett, P. Eng.,
Project Director



Susanne Thompson,
Director of Finance

Report accepted and recommended by the City Manager:



Date:

July 9, 2015

Purpose

As directed by Council, staff provides quarterly reports on the Johnson Street Bridge Replacement Project throughout the year. This is the third report for 2015, with the next update scheduled for December, and a separate report on the public realm in August.

Schedule Update

The work schedule was updated as of June 1, 2015.

The critical path for completion of the Project continues to be the fabrication of the steel in China. Since the last quarterly update further delays to the opening date of the bridge to traffic (now Spring 2017) and total completion of the project (now fall 2017) have occurred.

There is a significant degree of uncertainty surrounding the steel fabrication schedule as there are still challenges ahead related to final fit up and assembly, resolution of fabrication issues which may arise in the future and the like.

The City has notified the grant funders of the potential further delays, though it is still anticipated that the work can be completed within the recently extended deadlines.

Regarding the bridge work in Victoria, bascule pier construction to completion of the east pier cap is critical to site readiness for the precast approach girders to be installed. Following completion of the concrete works in the bascule pier, the east rail span will be stripped for demolition, and the abutment excavated and demolished to design elevation, severing access to the bascule pier from the east abutment.

Precast girder erection is scheduled for September 14-18, with a full marine channel closure planned. Consultation with the marine users is underway to minimize impacts where possible. Girders will be erected from the Arctic Tuk, a 600t marine derrick.

Utility work and road construction on the downtown side is in progress and will continue through the summer. West approach works will be complete in August with the exception of retaining walls 1 and 2 and the associated trail works leading up to the pedestrian overpass.

Financial Implications

The approved budget for the Johnson Street Bridget Project is \$94.3 million.

As of June 30, 2015, actual costs of \$50.705 million have been incurred, including the following:

- MMM has invoiced \$8.720 million from the budget of \$9.362 million. This reflects the following professional services: project management, design, procurement, administration, geotechnical engineering, and permits.
- MMM has invoiced \$537,287 of the \$769,028 in additional services funded from the contingency. These services include: owner's quality control for the steel fabrication, the steel detailing workshop, supplementary services, unforeseen geotechnical engineering, utility mapping, seismic design review, additional designing, redesigning navigational lighting, and joint footing review.
- PCL has invoiced \$27.909 million, representing 44.14% of the \$63.235 million contract price. PCL has invoiced an additional \$332,610 of the \$608,333 budgeted from the contingency. These services include: cofferdam and hazardous disposal, relocation of generator load bank, fender anode installation, subgrade excavation for retaining wall #2, install street light pole, additional CCTV cameras and installation of rip rap.

Council's approval on March 26, 2015 of \$1.5 million of additional contingency brings the original \$2.515 million contingency to a revised amount of \$4.015 million, with value engineering savings adding a further \$300,000. Of the revised contingency budget of \$4.315 million, at June 30, 2015 \$3.011 million has been allocated, leaving a remaining \$1.304 million unallocated.

Potential additional costs have been identified at an estimated \$3.858 million, including costs of professional consulting services habitat compensation, multi-use trail overpass, staff resourcing, and legal costs.

- After applying the \$1.304 million unallocated portion of the contingency budget, the result is an estimated \$2.554 million funding shortfall.
- Therefore, it is recommended that an additional budget of \$2.554 million be approved with funding from the Buildings and Infrastructure Reserve.

The City will seek to recover these costs through the mediation process where applicable, and any costs recovered would be returned to the Buildings and Infrastructure Reserve.

There remain a number of unresolved issues that will require further additional funding including costs of fendering, claim for additional professional consulting services, public realm, seabed land purchase, relocation of utilities, insurance premiums, additional public realm, legal, mediator, and additional material costs. At this point, the total cost is yet to be determined for many of these items, but the total is significant and will require additional funding. Council will be provided with updates as further information becomes available.

For a detailed account of the current JSB budget, contingency items, and schedule of anticipated costs, please see appendices A, B, and C.

It should also be noted that those additional funds do not include an amount for either the Contractor's or the Consultant's claims which are subject to mediation.

There are limited options for the City other than to complete the project and seek resolution of additional costs, where applicable, through the mediation or litigation process.

Grant Funding

UBCM General Strategic Priorities Fund

UBCM has approved an extension of funding for the project until March 2018 for the General Strategic Priorities Fund Grant agreement (See attached Appendix D). The previous deadline was March 2017.

Mediation Update

The mediation process is ongoing and involves legal counsel and representatives of the City, PCL, MMM, and Hardesty and Hanover, as well as the insurer for MMM and Hardesty and Hanover. The mediator, a senior construction lawyer, has set timelines for the exchange of information between the parties regarding all known claims, including the City's claims, leading up to a mediation session scheduled for December 2015.

The purpose of this session is to negotiate a resolution of all known claims among the parties. However, subsequent mediation sessions may be required to deal with future claims. For example, the full consequences of the delay in the fabrication of the steel cannot be determined until the steel has been delivered.

The mediation proceedings are confidential and so the City is not able to disclose the content of the proceedings.

Construction Progress

Upcoming Marine Channel Construction/Closure

In mid-September, the bridge channel will be closed to most marine traffic as the panels and girders that run along the sides of the new bridge are put into place. A large crane on a barge will be parked in the travel lane of the existing bridge. Staff are currently working with upper harbour stakeholders and marine users to plan around the closure and minimize impacts to their day-to-day operations. A public notification about the closure will also be developed to help inform citizens and other possible watercraft users.

West Side Approach

Delineating the public right of way from the 203 Harbour Road site, Wall 11 connects to Wall 4 (the bridge's west abutment). Wall 11 has seen substantial progress and is nearing completion as it stretches from the west abutment for nearly 100 meters. As the walls near completion, final grading for the bridge approach will take place and the new bridge approach will become apparent to those passing by.



Wall 11 can be seen curving to the right during construction with stabilizing geogrid ready for installation. Seen on the left: Wall 4 (west abutment) precast panels coming to final elevation.

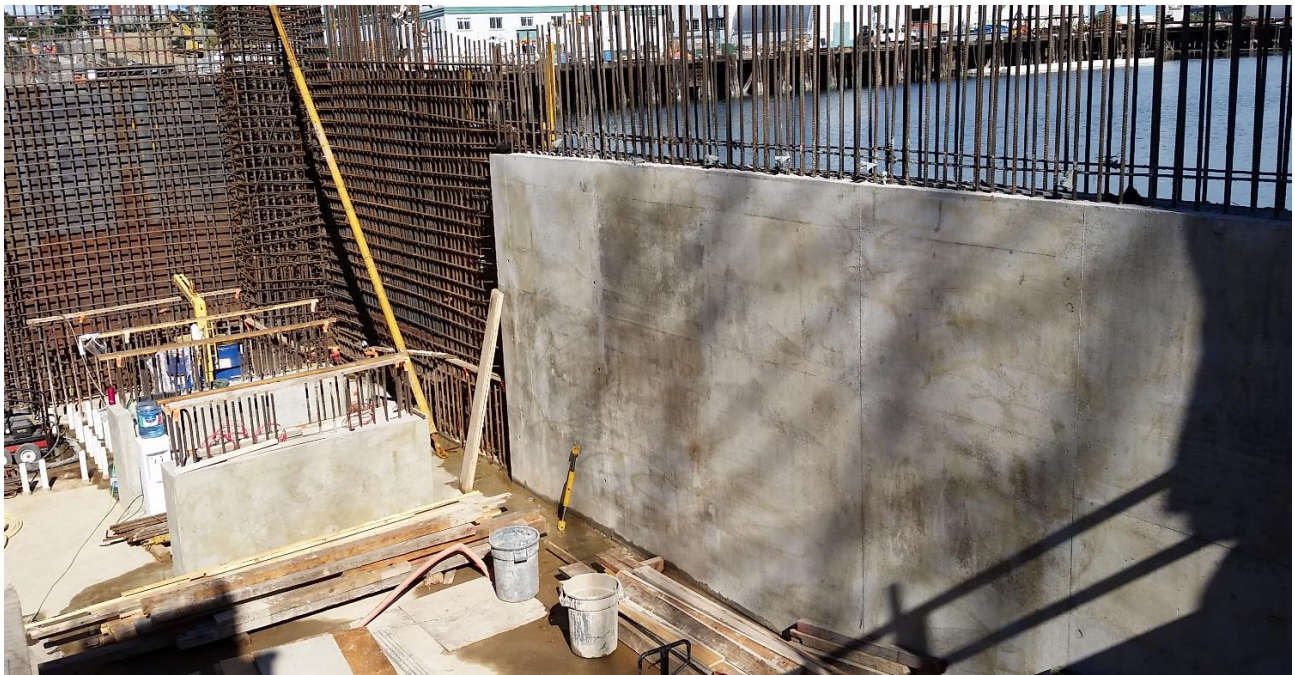
Bridge Crossing Site

With all other in-water bridge structures substantially complete, work has been focused on the Bascule structure completion. Pouring has begun for concrete walls surrounding the pit with three of four having the first level poured. Structural columns and other key elements continue to see excellent progress. It is anticipated to have the bulk of the structural work completed late summer in preparation for installation of pre-fabricated girder sections that will be installed by PCL's Arctic Tuck, a massive barge fixed crane.

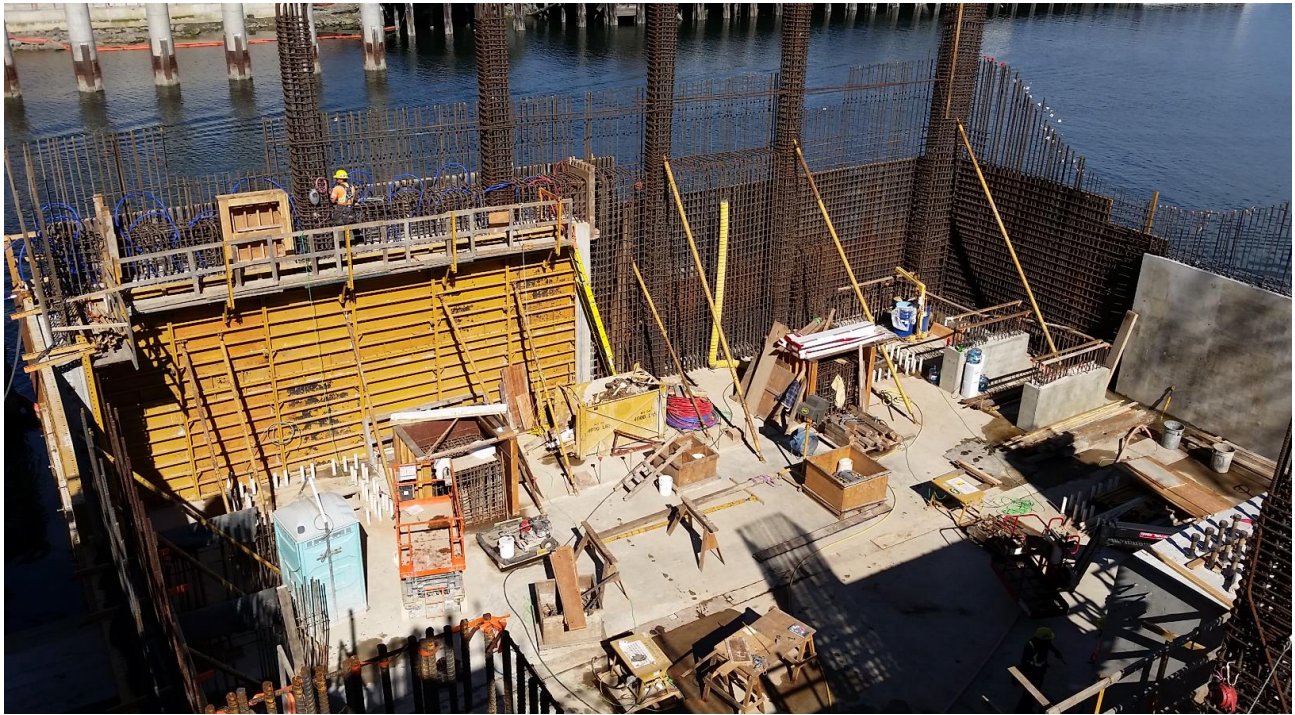
Remaining rail span piers are now being prepared for removal. This is required to facilitate the construction of the new bascule and installation of bridge girders



East side Rail Span Pier can be seen cut into blocks in place ready for removal by crane.



The northern wall of the bascule can be seen rising several meters up from the bascule floor as crews prepare reinforcing rebar for further concrete pours.



Crews continue to prepare for wall concrete pours by installing steel formwork (yellow).

East Approach

With the Foam EPS fill installed, and capped with a structural concrete layer, work will continue with other details, such as the bridge electrical generator site completion and final grading.

Work has moved beyond the confines of the site fencing and is now ongoing within the road right of way from Pandora Avenue at Store Street to Johnson Street at Wharf Street. This work will stretch several months and involves the construction of new underground works as well as road structure work. City staff continue to work with the contractors to minimize impacts to the public and work proactively with the public to ensure proper considerations are given.

City Staff are continuing to work to ensure that the site is kept tidy and that public areas are in acceptable condition. Portions of Bridge Head Green have had irrigation repaired and new plantings installed to help improve the aesthetics during active construction.



The Northern Junk frontage with grounds maintained and new gardens installed.



Foam EPS blocks can be seen during installation with the Janion to the right and Point Hope Shipyard in the distance.



The structural concrete slab poured over the EPS foam blocks; Janion in the background.

Steel Fabrication/Quality Assurance

Structural steel fabrication at the ZTSS plant in China is ongoing. The delivery and schedule surrounding structural steel fabrication remains short of expectations, so a meeting with all steel stakeholders to review the project risks and discuss options to mitigate these risks is scheduled for the near future.

In any steel fabrication of this type and complexity, it is usual for parts of the work to be rejected as and when issues are discovered through the ongoing quality control and assurance processes. Multiple Non Conformance Reports (NCRs) have been issued in June for a number of fabrication issues including weld repairs, material preparation details, and fabrication tolerances. The majority of the NCRs were self-identified by PCL's steel fabricator.

Specific fabrication work undertaken in the last quarter includes:

- North and south truss chords are being fit-up with diaphragms fit to outer flanges and webs are being tacked to the diaphragms. Non Conformance Issues (NCR) with various components have been resolved.
- Ring inner webs are complete and flanges are being aligned to the inner webs and flange splicing will commence in early July. Lifting and handling lugs of ring flanges have been reviewed to ensure temporary welds are not made to final steel.

Figure 1 - Truss Fabrication



June 25, 2015

The quality control and quality assurance work continues with PCL having ongoing inspectors in the plant (through their subcontractor Atema) and the City has independent inspectors, Caltrop, who are supervised by MMM through their subconsultant, Hardesty and Hanover. The quality control and assurance programs are comprehensive and continuous.

Public Realm

The project team has been reviewing certain aspects of the new bridge such as handrails, walkways, and lighting. The strategy continues to follow the original architectural designs of the bridge wherever possible and use the specifications laid out in those designs as the best path forward.

The paint colours on the bridge remain the same as the original Wilkinson Eyre design. The steel portions of the bridge will be painted a light grey, almost cream colour, on the upper parts, with a darker grey on the underside of the lift span.

The bridge will be illuminated at night by blue flood lighting in addition to the normal roadway and pedestrian lighting. Multi-coloured flood lighting has not been included.

At the May 7, 2015 Governance and Priorities Committee Meeting, Council requested that consultations around the public realm commence. Given the changes in timelines and budgets, staff are determining options for how to engage the public about the public realm space. A number of considerations are being confirmed including: all indicative design elements, work completed to date, budget available, estimated budget needed, interfaces with neighbouring developments, and location/space required for rail station.

An inter-disciplinary staff team has been established to inform and improve coordination of the public realm and the related elements. This will inform public engagement options based on

changing timelines and budget. A report to Council seeking feedback and direction will be presented in August.

Throughout the project, staff have continued to correspond with impacted stakeholders and media in an effort to keep the public informed about ongoing construction and the bridge progress in general.

Fendering

The north side fendering design is not yet finalized. As the City awaits the revised design from MMM, the installation timeframe under the existing Fisheries Act Authorization is limited, and resolving the fendering design in order to move forward with construction is one of the project's top priorities.

There are two remaining windows for the fendering works, which are:

- July 1, 2015 to October 1, 2015 – we are currently in this window;
- December 1, 2015 to February 15, 2016.

MMM is proposing a fendering design that can accommodate the design vessel collision for review by the upper harbour marine users and ultimately approval by City Council for funding.

MMM have produced an initial concept that looks to be workable and it appears to provide a higher level of protection than the current single crash dolphin that is on the current IFC (Issued for Construction) drawings [and currently on hold]. The expectation is that the added protection and functionality will come with a significant cost premium yet to be determined.

MMM now need to further develop the design, and provide the City with an indicative price for the design services to develop the design to an IFC state. MMM then need to assemble the scope, schedule and budget to complete this work for City consideration and approval.

Previously Transport Canada have confirmed that they have not identified any concerns that would prevent the approval of the revised updated concept under the Navigation Protection Act as all work will occur on City lands behind the harbour headline and out of the navigation channel.

The next steps are:

- Obtain refined drawing from MMM (including IFC design pricing);
- MMM to draft a "proposal" for: (1) Fendering options review, and (2) Fendering redesign - if approved by the City;
- MMM to ask PCL to price both the current IFC fendering and the updated option;
- Review PCL's indicative pricing with the City as well as the features, advantages and disadvantages of each option;
- Determine following the review with the City how and what will be presented to the Marine User Group, including Transport Canada.

Safety and Environment

Environmental monitoring is being conducted by Hemmera field representatives on a regular basis. An archaeological monitor from Stantec and a First Nations representative are on-site during the excavation works at the west and east side of the project.

Update on Risk Management

Effective risk management requires continuous monitoring and updating. The following are the current significant project risks and their mitigation strategy:

Risk	Detail	Mitigation
Delivery of Steelwork being fabricated in China	The quality and timing of the steel is perhaps the most critical issue facing the Project	A meeting at the ZTSS plant in China took place on the 28 and 29 April and updated visuals and a verbal report will be submitted to Council on May 9.
Financial consequences of mediation	The financial consequences of the mediation are not yet known, and may not be known for some time.	City staff are working with legal counsel to ensure a full and accurate exchange of information with the other parties occurs. Any agreement on financial issues requires the approval of Council.
Fendering	There are financial challenges related to the north side fendering.	Re-evaluation of the north side fendering designs together with a stakeholder consultation
Public Realm design	Need to ensure both public acceptance and financial viability of the public realm issues	Drafting a public consultation and work strategy to ensure that Council's expectation regarding the public realm are met. This obviously includes for full and significant input and direction of Council.
Management of Contingency Funding	In the March 2015 report staff identified \$4.8 million in contingency funding requirements. Council approved \$1.5 million and directed that Council wanted detailed updates on major contingency funding items.	Project Director is preparing detailed contingency funding reports, and is looking for cost savings opportunities. A more detailed assessment of the probable project costs is being constantly undertaken.
Machinery Issues	A critical part of the bridge is the machinery operation. Work is underway on production of the machinery.	Regular off site inspections of the machinery fabrication are being carried out. Hardesty and Hanover have engaged a specialist machinery expert familiar with this kind of work.

Recommendations

That City Council:

1. Approve an increase to the project budget of \$2.554 million with funding from the Building and Infrastructure Reserve.
2. Direct staff to transfer to the Building and Infrastructure Reserve any costs recovered from other parties.
3. Direct staff to bring forward an amended Financial Plan Bylaw to the July 23, 2015 Council meeting.
4. Direct staff to provide options on public realm at the August 20, 2015 Governance and Priorities Committee meeting.

Attachments

- Appendix A – JSB Budget Update
- Appendix B – Project Completion Contingency
- Appendix C – Schedule of Anticipated Costs
- Appendix D – UBCM Funding Agreement Extension

Appendix A - Budget Update

Budget Update	June 2014 Budget	Contingency/ Funding Allocation	Adjusted Budget	Actuals (June 30 2015)
Project Component				
Professional Services				
Design Management, Design & Contract Administration	10.884	-	10.884	10.125
Design consultant optimization	0.250	-	0.250	0.250
Development Costs to end 2010	1.333	-	1.333	1.333
Approvals & Permitting	1.129	-	1.129	1.125
Legal/Procurement ¹	0.759	0.307	1.065	0.975
Additional Professional Services funded from Contingency	-	1.294	1.294	0.628
Subtotal	14.354	1.601	15.955	14.436
Construction Costs				
Main Bridge Contract	62.941	-	62.941	27.915
Project Completion Contingency	2.815	(1.511)	1.304	-
Additional \$1.5 Million Funding	1.500	(1.500)	-	-
Additional Construction Costs funded from Contingency	-	0.608	0.608	0.312
Subtotal	67.256	(2.403)	64.853	28.227
General Construction				
Early Marine Works, Rail Bascule Removal ²	2.423	0.007	2.431	2.431
Insurance ³	1.517	0.071	1.587	1.191
Other Works & TELUS Duct Removal ⁴	2.536	0.005	2.541	1.644
Additional General Construction funded from Contingency	-	0.387	0.387	0.371
Subtotal	6.476	0.470	6.946	5.637
City Costs (over 5 years)⁵	1.595	0.332	1.927	1.159
Property	1.000	-	1.000	0.997
Finance Fees	1.000	-	1.000	0.249
Value Added Tax (HST/PST)⁶	2.619	-	2.619	-
Total	94.300	-	94.300	50.705

Notes:

1. Additional legal work from Denton
2. Rounding of original budget
3. Increase Due to Extension
4. Increase for Public Art; Undefined Scope; Tax allocation and misc additional expenses
5. Reduction in Project Contingency to offset increases to Legal and General Construction
6. Offset tax allocated to Professional Services and Other Works & Telus Duct Removal

Appendix B - Project Completion Contingency

			Known to June 2015
Project Completion Contingency			\$ 4,015,000
	Vendor	Actuals	Committed
Professional Services			
Archaeological Services	Stantec	\$ 77,182	\$ 100,000
Selective Demolition	Stantec	5,260	50,000
Mediation Legal Fees	Denton's	216,790	306,506
JSB Control Room - Architect Services	Low Hammond	10,443	15,000
CO #2 City QA for Structural Steel	MMM	17,786	160,500
CO#3 Resolution of China Fabrication QA/QC NCR's	MMM	188,634	198,435
CO #4 Workshop	MMM	53,156	53,156
CO #5 Supplementary Services	MMM	183,353	264,600
CO #6 Geotechnical Assess of Retaining Wall 2	MMM	4,000	4,000
CO #7 Utility Mapping	MMM	4,200	4,200
CO #8 Seismic Design	MMM	13,700	13,700
CO #9 Additional Designing	MMM	53,657	53,657
CO #10 Redesign Navigational Lighting	MMM	9,000	9,000
CO #11 Construction Joint Footing	MMM	-	7,780
CO: TBD - H&H Settlement	MMM	-	360,000
Construction Costs			
Contaminated site refuse disposal permit	MOE	4,640	4,640
Hydro Relocation and Power Supply	BC Hydro	356,646	357,426
Extending Conduit and Permit	Telus	7,533	7,533
Ground water monitoring	Hemmerra	2,188	2,188
Insurance Extension on Bridge Delay	AON	-	70,892
Rock blasting	PCL	-	15,000
CO #5 Hazardous Waste disposal	PCL	33,566	33,566
CO #6 West Cofferdam Soil Disposal	PCL	243,168	243,168
CO #10 PCL Relocation of Generator Load Bank	PCL	-	49,964
CO #11 Fender Anode Installation	PCL	7,700	7,700
CO #12 Retaining Wall 2 Foundation	PCL	27,934	27,934
CO #13 Install Street Light Pole	PCL	-	2,169
CO #14 CCTV Cameras	PCL	-	23,921
CO #15 Install Rip Rap	PCL	-	219,911
City Costs			
Additional City Services Costs due to Bridge Delay	COV	-	344,450
		\$ 1,520,535	\$ 3,010,995
Add: Value Engineering Savings			
Replace Indicative Design with shortening of East End Span			300,000
Remaining Unallocated Contingency			\$ 1,304,005

Appendix C - Summary of Anticipated Costs

Summary of Anticipated Additional Costs	Request at GPC March 19, 2015	Budget From \$1.5M Funding Increase	Subsequent Estimates June 30, 2015
1. Insurance ^a	\$ 280,000	\$ 70,892	\$ -
2. Additional City Costs ^b	420,000	343,575	
3. Professional Consulting Services ^c			
MMM			
17 Month Extension - MMM Site Personnel	948,000		1,127,000
Additional MMM Support Team	150,000		150,000
Redesign of Components Subsequent to IFD's	65,000		65,794
Urgent and Unforeseen Items	-		500,000
MMM Total	1,163,000		1,842,794
Hardesty & Hanover			
Additional Meetings for H&H	47,000		215,625
Additional Field Reviews	280,000		335,115
Additional Shop Drawings and Submittal Reviews	223,000		443,950
Additional Responses to RFIs and RFCs	87,000		193,875
Fabrication Support and Review of NCRs	-		164,600
Hardesty & Hanover Committed Payment	-	360,000	(360,000)
Hardesty & Hanover Total	637,000		993,165
4. Budgeted Shortfall	1,800,000		
Unallocated Project Contingency	(1,470,500)		
Fendering	530,000		TBD
Additional Landscaping Costs ^d	450,000		TBD
Multi-Use Trail Overpass	100,000		152,000
East Side Archaeological Monitoring	50,000	50,000	-
Additional Owners Quality Assurance Program	40,000	75,231	-
Seabed Land ^e	50,000		50,000
Habitat Compensation	173,000	219,911	54,978
Changes to CCTV Cameras	100,000	23,921	-
Environmental Permitting	5,000		5,000
Graffiti Coating	15,000		19,510
Generator Load Bank Relocation	82,500	49,964	-
Unforeseen Geotechnical and Subsurface Issues	225,000		225,000
Imported Fill	50,000		50,000
5. Legal Costs for Mediation - Denton's ^f	400,000		
	400,000	306,506	186,000
6. Unallocated Contingency to Completion	1,500,000		
Total:	\$ 4,800,000	\$ 1,500,000.00	\$ 3,578,447
Potential Additional Costs Identified			
Staff resource: backfill for Finance and Internal Project Coordinator			97,000
Fibre Optic Cables			50,000
Traffic Poles			3,277
Additional Misc CRX			129,685
Unknown Costs to be Determined			
Additional material costs			
Fendering			
Relocation of BC Hydro Service Kiosk			
Insurance Premiums			
City Costs - Electrical Work			
Additional Public Realm Costs ^d			
Irrigation			
Landscaping			
Janion Connection			
David Foster Harbour Pathway Connection			
Legal Costs for Mediation ^f			
Mediator Fees			
Potential Additional Costs:			\$ 279,962
Total Unallocated Anticipated Costs:			\$ 3,858,409
Current Unallocated Contingency at June 30, 2015			(1,304,005)
Budget Shortfall:			\$ 2,554,404

Notes

a) \$70,892 additional funding required for 14.5 month extension/does **not** include 3rd delay nor increase to premiums

b) Project requires more city resources than currently allocated/budgeted

c) \$360,000 is for the first H&H settlement

d) Additional public realm costs listed below.

e) Subject to increase - dependent on how deep the silt is

f) Estimate of Legal costs for mediation to December 31, 2015. Additional costs from January 1, 2016 to project completion are undetermined.

Appendix D - UBCM Funding Agreement Extension



June 1, 2015

Jason Johnson
City Manager
City of Victoria
1 Centennial Sq
Victoria, BC V8W 1P6

Dear Jason Johnson:

**RE: POOLED FUNDS FUNDING AGREEMENT AMENDMENT UNDER THE
AGREEMENT ON TRANSFER OF FEDERAL GAS TAX REVENUES**

Thank you for managing the approvals of the funding agreement amendment between the City of Victoria and the Union of British Columbia Municipalities for the **Johnson Street Bridge Project**. Our review of the documents is now complete and we have enclosed one fully executed copy of the Agreement for your records.

Please feel free to contact me if you need further information. I can be reached by telephone at 250-356-0893 or via email at bfelker@ubcm.ca.

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "B Felker".

Brant Felker
Gas Tax Policy and Program Manager, Victoria Office

Enclosure

Pc: Susanne Thompson

City of Victoria-AG384-1-General Strategic Priorities Fund (GSPF)-Executed

**REGIONALLY SIGNIFICANT PROJECT, TIER 1 AND 2 STRATEGIC PRIORITIES FUND
AND/OR INNOVATIONS FUND FUNDING AGREEMENT UNDER THE AGREEMENT ON
THE TRANSFER OF FEDERAL GAS TAX REVENUES AMENDMENT
FOR THE Johnson Street Bridge Project
(Pooled Funds Agreement Amendment Agreement)**

This Pooled Funds Agreement Amendment Agreement is made as of June 1, 2015,

BETWEEN: **CITY OF VICTORIA** (the Recipient)

AND: **UNION OF BRITISH COLUMBIA MUNICIPALITIES** as continued by section 2 of the *Union of British Columbia Municipalities Act* SBC 2006, c.18.

The Regionally Significant Project, Tier 1 And 2 Strategic Priorities Fund And/Or Innovations Fund Funding Agreement Under The Agreement On The Transfer Of Federal Gas Tax Revenues Funds Agreement made between the Recipient and the UBCM executed by the UBCM on October 22, 2012, (the Agreement), for the Johnson Street Bridge Project is hereby amended as follows:

(1) In Section 3.2, paragraph (a) is struck out and the following is substituted:

- (a) The Recipient will implement the Eligible Project in a diligent and timely manner, and has commenced or will commence carrying out the Eligible Project on or about December 5, 2011, or a later date approved in advance by the Management Committee, (the Commencement Date) and will complete the Eligible Project no later than March 31, 2018, or a later date approved in advance by the Management Committee (the Completion Date).

(2) In Section 5, 5.1 is struck out and the following is substituted:

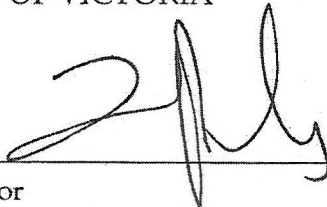
This Agreement shall commence on the date that it is fully executed by both of the Parties and shall expire on December 31, 2018.

SIGNATURES

This Pooled Funds Agreement Amendment Agreement has been executed on behalf of the Recipient and the Union of British Columbia Municipalities by those officers indicated below and each person, signing the agreement represents and warrants that they are duly authorized and have the legal capacity to execute the agreement.


CITY OF VICTORIA

UNION OF BC MUNICIPALITIES

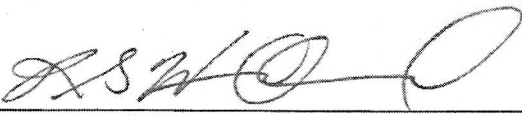


Mayor

MAYOR LISA HELPS
#1 Centennial Square
Victoria BC V8W 1P6



UBCM Corporate Officer



Corporate Officer
Robert G. Woodland
Corporate Administrator
City of Victoria
#1 Centennial Square
Victoria BC V8W 1P6



General Manager, Victoria Operations