

# Johnson Street Bridge Replacement Project Budget Adjustment

March 26, 2015

# Summary

- An additional \$4.8 million is requested for the project
- \$1.9 million for the project contingency
- \$2.5 million for increased costs due to schedule delay
- \$400,000 for additional legal costs for external legal advice and participation in mediation
- This will bring the total budget for the Johnson Street Bridge Project to \$97.6 million

# Project Contingency

- A contingency fund, which is an allocation of money over and above a contract value, is needed to deal with unforeseen eventualities
- The initial contingency fund for the Johnson Street Bridge was recommended to be 10% of the contract value, but was reduced to 4%, (\$2,515,000) to meet \$66 million construction limit
- Target value engineering savings of over \$2 million were identified as potential opportunities to increase the contingency amount
- Value engineering increased the contingency only by \$300,000 bringing the total to \$2,815,000

# Project Contingency

- Current commitments of \$1,344,573 to the end of January from the contingency

Item	Committed at January 2015
West side archaeological	\$ 50,000
Unforeseen geotechnical conditions	\$ 19,000
Contaminated material removal and disposal	\$ 329,054
Hydro relocation and power supply	\$ 357,426
City services (Telus pole relocation)	\$ 7,533
Environmental permitting	\$ 1,400
City Quality Assurance for steel fabrication	\$ 120,000
Architectural services	\$ 15,000
Resolution of steel fabrication	\$ 123,204
Detailing workshops	\$ 53,156
Supplementary consulting services	\$ 264,600
Utility reference plan	\$ 4,200
<b>Total</b>	<b>\$1,344,573</b>

# Project Contingency

- Known but not yet finalized items of \$1,870,500

Item	Projected Cost
Fendering	\$ 530,000
Additional landscaping costs	\$ 450,000
Multi-use trail overpass	\$ 100,000
Eastside archaeological monitoring	\$ 50,000
Additional Owners Quality Assurance Program	\$ 40,000
Requirement for additional seabed land	\$ 50,000
Additional habitat compensation	\$ 173,000
Changes to CCTV cameras and marine lights	\$ 100,000
Environmental permitting	\$ 5,000
Graffiti prevention	\$ 15,000
Generator load bank relocation	\$ 82,500
Unforeseen geotechnical and subsurface issues	\$ 225,000
Imported fill	\$ 50,000
Total	\$1,870,500

# Project Contingency

Item	Amount
Initial Contingency	\$2,515,000
Value Engineering Savings	\$ 300,000
Current Contingency Commitments	-\$1,344,573
Projected Contingency items	-\$1,870,500
Contingency Shortfall	-\$ 400,000

- An additional \$1.5 million is recommended for other unforeseen eventualities for a total of \$1,900,000. This would increase the total contingency to 7.5%
- Council will continue to be updated on the status of the contingency at the Quarterly Updates

# Project Schedule

- PCL contract identified the date of September 30, 2015 as the date to complete the new bridge
- Total completion of the project, which would include dismantling of the old bridge and completion of all landscaping was to be done no later than March 2016
- Now identifying the new bridge for use, January 2017
- Total project completion June 2017

# Project Schedule

- 15 month delay translates to additional costs for a number of items
- Project insurance \$280,000
- City staff and advisors costs \$420,000
- Additional professional services from the consulting team \$1.8 million
- City will seek recovery for the majority of these costs from other parties who are responsible for the delay



# Project Schedule

Key Dates	
Steel Fabrication & Shipping	March 1, 2015 – June 5, 2015 (66 weeks)
Bridge Machinery Fabrication	Feb. 23, 2015 – Nov. 23, 2015 (39 weeks)
Bridge Decks – East	June 26, 2015 – Oct. 23, 2015 (17 weeks)
Bridge Decks – West	June 26, 2015 – Sept. 18, 2015 (12 weeks)
Bridge Machinery Installation	Nov. 23, 2015 – Feb 1, 2016 (10 weeks)
Site Shut Down	Feb. 23, 2016 – June 5, 2016 (15 weeks)
Steel Erection	June 5, 2016 – Sept. 18, 2016 (15 weeks)
Bascule Span (Miscellaneous):	Sept. 18, 2016 – Nov 27, 2016 (10 weeks)
Traffic shift/bridge ready for traffic	Jan. 15, 2017
Demolition	Jan. 15, 2017 – April 16, 2017 (13 weeks)
Project completion	June 25, 2017

# Legal Costs

- \$400,000 be identified for mediation and on-going external legal advice
- Cost of the mediator, which is estimated to be \$10,000 is being shared three ways with the contractor and the consultants
- Necessary to proceed to litigation, the allocation for legal services would be reviewed and reported back to Council.

# Offsetting Cost Savings

- Limited given that The majority of the foundation work is completed; and the steel fabrication in China is in progress
- Small number of items not in either contract that is under city control
- Public art \$250,000
- E&N Train Station \$204,000
- Reducing the total project additional funds required by \$454,000 if Council wishes

# Financial Impact

Description of Costs	Amount
Insurance	\$ 280,000
Additional city costs	\$ 420,000
Professional consulting services	\$1,800,000
Current contingency shortfall	\$ 400,000
Legal costs for mediation	\$ 400,000
Unallocated contingency to completion	\$1,500,000
Total	\$4,800,000

# Recommendations:

That City Council:

- Approve an increase in the project budget of \$4.8 million less any acceptable cost reduction opportunities with funding from the Building and Infrastructure Reserve.
- Direct staff to transfer to the Building and Infrastructure Reserve any costs recovered from other parties.

# Questions?