Agenda - Executive Policy Committee - September 21, 2005

Reports - Standing Policy Committee on Public Works - September 13, 2005

Item No. 5 Reallocation of 2006 Capital Funds to the rehabilitative maintenance and related works of the Redwood Bridge
File SB-14

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That authorization be granted for the transfer of funds in the amount of $1,000,000.00 from the 2006 Capital Forecast of the Disraeli Bridge and Overpass Facility Project to the 2006 Capital Forecast for the Redwood Bridge Project, in order to carryout the work.

2. That authorization be granted for expenditures of $1,000,000.00 before the 2006 Capital Budget is adopted as a first call on the 2006 Capital Budget, to allow award of the project contract.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - September 21, 2005

Reports - Standing Policy Committee on Public Works - September 13, 2005

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On September 13, 2005, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

ADMINISTRATIVE REPORT

RE: THE REALLOCATION OF 2006 CAPITAL FUNDS TO THE REHABILITATIVE MAINTENANCE AND RELATED WORKS OF THE REDWOOD BRIDGE

FOR SUBMISSION TO: Standing Policy Committee on Public Works

ORIGINAL REPORT SIGNED BY: L.S.W. Larkin, P. Eng. Director of Public Works

REPORT DATE: September 2nd, 2005

RECOMMENDATION(S):

1. That authorization be granted for the transfer of funds in the amount of $1,000,000.00 from the 2006 Capital Forecast of the Disraeli Bridge and Overpass Facility Project to the 2006 Capital Forecast for the Redwood Bridge Project, in order to carryout the work.

2. That authorization be granted for expenditures of $1,000,000.00 before the 2006 Capital Budget is adopted as a first call on the 2006 Capital Budget, to allow award of the project contract.

REPORT SUMMARY:

Key Issues:

- A reallocation of $1,000,000 from the Disraeli Overpass 2006 Capital Forecast to the Redwood Bridge Project is required to provide sufficient funds for this project.
- Council must approve, as a first call, the transfer and subsequent expenditure of $1,000,000.00 before the 2006 Capital Budget is adopted.
- The reallocation of funds from the Disraeli Bridge project to the Redwood Bridge project is possible since the funds currently identified for the Disraeli Bridge were based on a capital preventative maintenance approach. The current level of deterioration of the Disraeli Bridge is such that a less capital intensive safety maintenance approach has been adopted as a holding strategy until the bridge can be funded for a major rehabilitation.
- There is urgency in receiving Council's approval for the reallocation of these funds as the lapse date for award of the project contract by the CAO is October 15th, 2005.

Implications of the Recommendation(s):

General Implications:

[X] None
[ ] For the organization overall and/or other departments
[ ] For the community and/or organizations external to the City
[ ] Involves a multi-year contract

Comments:

Policy Implications:

[X] No
[ ] Yes

Comments:

Environmental Implications:

[X] No
[ ] Yes

Comments:

Human Resource Implications:

[X] No
[ ] Yes

Comments:

Financial Implications:

[ ] Within approved current and/or capital budget
[X] Current and/or capital budget adjustment needed

Comments: Reallocation to the Redwood Bridge Project of one million dollars ($1,000,000.00) from 2006 Capital Forecast – Disraeli Bridge is required.

REASON FOR THE REPORT:

Council approval is required for the reallocation of capital funds and for expenditure of capital funds prior to the adoption of the capital budget.

HISTORY:

Funds in the total amount of $5,519,000.00 for the Redwood Bridge Rehabilitative Maintenance and Related Works Project are included in the 2002 to 2005 Adopted Capital Estimates of the Public Works Department.

On March 22, 2005, Council authorized expenditures for this project, in the amount of $1,581,000 before the 2006 Capital Budget is adopted as a first call on the 2006 Capital Budget to allow timely tendering of contracts.

A project for the rehabilitative maintenance and related works for the Redwood Bridge was recently tendered. Based on the lowest bid submission, the total cost related to the above contract award, including contract works, engineering, contingencies, utilities, engineering administration and administration and finance is estimated to be $8,100,000.00, representing an anticipated budgetary shortfall of $1,000,000.00 or 14%.

DISCUSSION:

The rehabilitative maintenance works to be undertaken on the Redwood Bridge under this contract are comprised of the following: foundation stabilization; structural repairs of damaged and corroded steel truss members; replacement of structural bearings and expansion joints; corrosion protection of vulnerable areas of steel truss members, replacement of bridge deck, sidewalks and pedestrian railings; installation of traffic railings; replacement of approach sidewalks and railings; and miscellaneous related works.

The bridge will be closed to vehicular traffic, while pedestrian traffic will be accommodated on one sidewalk at all times. The Bid Opportunity stipulates that construction may commence on October 3, 2005. The bridge is to be closed to vehicular traffic on January 3, 2006, and is to be re-opened to all traffic by October 30, 2006.

To allow the award of the Contract for this project, Council approval is required for the transfer of funds in the amount of $1,000,000.00 from the 2006 Capital Forecast of the Disraeli Bridge and Overpass Facility Project to the 2006 Capital Forecast for the Redwood Bridge Project. As well, Council approval is required for expenditures of $1,000,000.00 before the 2006 Capital Budget is adopted, as a first call on the 2006 Capital Budget.

The funds currently identified in the 2006 Capital Forecast for the Disraeli Bridge were estimated based on the assumption that capital preventative maintenance would cost effectively prolong the service life of the bridge. This assumption has now been found to be incorrect as the deterioration has progressed beyond what was anticipated. The focus of available funds for the Disraeli Bridge will now be directed towards a comprehensive study of the bridge's condition and an ongoing safety maintenance approach. This approach makes the reallocation of funds to the Redwood Bridge project possible.

The amount of the award of the Contract for this project is within the delegated authority of the CAO. The lapse date for the award of the Contract is October 15th, 2005. Approval of the reallocation and expenditure of funds from the 2006 Capital Budget, prior to adoption, is urgently needed so that the award of the Contract for this project can be made prior to the lapse date.

Financial Impact Statement

Date: September 2, 2005

Project Name:

First Year of Program 2005

THE REALLOCATION OF 2006 CAPITAL FUNDS TO THE REHABILITATIVE MAINTENANCE AND RELATED WORKS OF THE REDWOOD BRIDGE.

	2005	2006	2007	2008	2009
Capital					
Capital Expenditures Required	$ 8,100,000	$ -			
Less: Existing Budgeted Costs	$ 5,519,000	1,581,000			
Additional Capital Budget Required	$ 2,581,000	$ (1,581,000)	$ -	$ -	$ -
Funding Sources:					
Debt - Internal					
Debt - External					
Grants (Enter Description Here)					
Reserves, Equity, Surplus					
Other - To Be Determined					
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ 1,000,000				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ 674,500	$ 674,500	$ 674,500	$ 674,500
Less: Incremental Revenue/Recovery	410,400	-	-	-	-
Net Cost/(Benefit)	$ (410,400)	$ 674,500	$ 674,500	$ 674,500	$ 674,500
Less: Existing Budget Amounts	(410,400)	674,500	674,500	674,500	674,500
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

Redwood Bridge Project # 1805000202. The existing budget for Redwood Bridge totals $7,100,000 (including the 2006 Capital Forecast of $1,581,000) A reallocation of $1,000,000 from the Disraeli Overpass 2006 Capital Forecast is required to provide sufficient funds for this project. There is no impact to debt & finance charges as this amount was already included in the 2006 Capital Forecast.

"Original Signed by Harold Schoenfeld, CA"
Acting Manager of Finance & Administration

Approved by Divisional Accounting Technician: ☑

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH, AND CONCURRENCY BY:

Legal Services Division, Corporate Services Department; and,
Materials Management Division, Corporate Finance Department.

THIS REPORT SUBMITTED BY:

Department	Public Works Department	
Division:	Engineering Division	
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