

## Report TR-TAPS-80-14

**To:** Chair Barfoot and Members of the Transportation and Public Safety Committee

**From:** M.J. Kelly, Director of Transportation Services

**Meeting Date:** November 6, 2014

**Subject:** Grey Road 30 Construction Costs

**Status:** Recommendation adopted by Committee as presented per Resolution TAPS136-14; Endorsed by County Council per Resolution CC162-14 on November 25, 2014 as amended by Resolution CC161-14 by adding the following: *AND WHEREAS the total project cost, including \$42,312 of Grey County cost is \$1,208,475 or 44% more than the tendered price.*

### Recommendation(s)

**WHEREAS** in accordance with TR-TAPS-48-14 a contract to reconstruct a portion of Grey Road 30 was awarded to The Murray Group for a bid price of \$826,560.46, excluding HST, and that 10% contingency and 5% contract administration, and quality assurance be added to the total project expenditure for a revised project cost to the County of Grey of \$967,274.11 net HST;

**AND WHEREAS** Change Orders and additional quantities resulted in a final tender cost of \$1,166,163 or 38 percent more than the tender price;

**AND WHEREAS** the total project cost including \$42,312 of Grey County cost is \$1,208,475 or 25 percent over the approved budget for this project;

**AND WHEREAS** in accordance with Purchasing Policy A-FIN-001 for contracts in excess of \$250,000 that have change orders in excess of twenty percent of the award amount requires a report to Council;

**NOW THEREFORE BE IT RESOLVED THAT** Report TR-TAPS-80-14 being a report identifying the additional Change Order cost for RFT-TS-13-14 for the reconstruction of Grey Road 30 be received for information.

### Background

As summarized in TR-TAPS-48-14 the design and tender documents for the Grey Road 30 reconstruction were completed by C.C. Tatham and Associates and the tender was awarded to The Murray Group in the amount of \$841,107.92 net HST.

The above noted report anticipated that the engineering costs would be approximately 5% of the tender value, or \$42,055.40, and the contingency costs would be approximately 10% of the tender value, or \$84,110.79. The total approved budget for the project is \$967,274.11.

### *Construction Change Orders*

Although the designers strive to be very accurate in the completion of the contract documents, there are often modifications to the tendered work. These can be due to subsurface conditions (i.e. additional rock or unidentified culverts), or design improvements that are recommended during construction (i.e. additional guiderail installation). This extra work is directed on site by the Grey County Construction Inspector and paid under the existing tender unit price or through measuring the time and material of the contractor. In many cases, this additional work has to be completed in order for a contractor to proceed. Although the final expenditure for this project exceeds the amount approved in Report TR-TAPS-48-14, the 2014 Transportation Services Department Construction Resurfacing and Minor Capital Budget will have an overall surplus.

## Purchasing Policy

In accordance to Purchasing Policy A-FIN-001, the following requires a report to council:

### 5.0 Reporting to Council

- d) Any project over \$250,000 that has change orders exceeding the awarded amount by 20% or more

## Transportation Service Modifications

Modifications will be implemented in the Transportation Services Department to ensure that all change orders are tracked, documented and approved on a weekly basis.

## Financial / Staffing / Legal / Information Technology Considerations

The extra costs resulting from change orders and quantity adjustments are summarized in Table 1. Overall, the Construction, Resurfacing and Minor Capital remains in a surplus position of \$95,000 as per report TR-TAPS-79-14.

*Table 1 – Summary of RFT-TS-13-14 Construction Costs*

Awarded Construction Cost, net HST (TR-TAPS-48-14)	\$841,108
Construction Change Orders, net HST	\$325,056

Awarded Construction Cost, net HST (TR-TAPS-48-14)	\$841,108
Total Payment to Contractor, net HST	\$1,166,164
Cost of Grey County Staff and Equipment	\$42,312
Total Cost of Contract	\$1,208,476
Approved budget for project, net HST (TR-TAPS-48-14)	\$967,274
Project Deficit	(\$241,202)

## Link to Strategic Goals / Priorities

The values statement of the approved Corporate Strategic Plan includes fiscal responsibility. Consistent application of the purchasing policy requirements focuses on the commitment to ensure effective and efficient processes, which offer prudent use of public funds.

## Attachments

[RFT-TS-13-14 Change Order and Additional Quantity Summary](#)

Respectfully submitted by,

M.J. Kelly  
 Director of Transportation Services



# Transportation Services

RFT-TS-13-14  
Change Order and Additional Quantity Summary

The following change order and additional quantity summary outlines the addition of items to the above contract. Additional minor changes in quantities (not listed) resulted in a tender increase of approximately \$6,000.

1. Extension of the full reconstruction limits from station 7+000 – 7+100 due to subsurface condition issues includes the extension of sub-drain, concrete curb and gutter and additional excavation and rip rap. Cost of extension \$55,900.
2. Installation of a fully paved shoulder to prevent washouts from station 8+040-8+535. Existing recycled asphalt was removed and the shoulder graded prior to paving. Cost of paved shoulder \$24,100.
3. The following quantity adjustments were completed during the project:
  - a. Additional 400m of Steel Beam guiderail including end treatments, grading and paving the shoulder to the guiderail. Cost \$106,000.
  - b. Additional Culvert replacements not in the contract. Cost \$15,000.
  - c. Additional Granular A for road grading, shoulder widening and curb support. Cost \$31,000.
4. The following is list of time and material change orders as completed throughout the project.

Description/Location	Total Cost
Clean up culvert the end and slope at 7+982 to ensure stability.	\$2,200.78
Repair the ditch line south of Bowles Bluff road for road widening	\$1,351.41
Break rock to install culvert at 7+300	\$2,433.21
Culvert removal 7+350 to 7+400	\$669.55
Install additional catch basin and lead	\$2,754.92
Excavate 7+130 to 7+290 to accommodate new ditch with rip rap	\$3,334.92
Grading change layout and modifications to proposed curblines	\$15,571.52
Purchase of removed 1050mm CSP. The item was removed after the culvert had been purchased. Grey retains the culvert for future road work.	\$3,773.33
Hammer rock in ditch	\$2,041.92
Previous force account supervisor and flag people additional time regarding delayed operations.	\$5,475.43
Install 450mm Boss 2000 pipe	\$3,200.51
Install catch basin at grey road 30 and the 7 <sup>th</sup> Line plus grading and rock projection.	\$8,019.36
Re-grade spillways due to grade changes	\$2,896.85
Remove asphalt from over fibre-optic cable	\$1,105.67

Description/Location	Total Cost
Extra milling at valley road over culvert to repair bump.	\$1,639.56
Remove clay from road and backfill with granular A.	\$3,645.35
Excavate and remove soft spot at Hutchison's corners including asphalt	\$1,894.97
Asphalt cement index adjustment	\$11,840.43
Asphalt removal of old ditch - re-align ditch plus excavation, filter cloth and gabion to catch basin	\$3,141.00
Gabion stone in bottom of ditch	\$2,514.35
Place and rake topsoil around radius at Lower Valley Road	\$1,118.58
TOTAL	\$80,623.62