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**Subject:** Bridge Street Drop Off Depot Budget Adjustment

**Report To:** Public Works Committee

**Report date:** Tuesday, June 11, 2024

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## Recommendations

1. That the gross capital budget adjustment in the amount of \$263,493 **BE APPROVED** for the Bridge St. Drop-Off Depot and that the increase **BE FUNDED** as follows:
  - Capital Variance Project (CVP) – Waste Management \$79,048
  - Development Charges (DC) – Waste Management \$184,445

## Key Facts

- The purpose of this report is to seek Council approval to increase the budget for Project 10GL1519 (Bridge Street Drop Off Depot) by \$263,493 for additional works on this project to be funded by CVP – Waste Management \$79,048 (30%) and DCs – Waste Management \$184,445 (70%).
- The additional funds are being requested to support extension of contract administration and inspection services, as well as unforeseen geotechnical conditions.
  - Various project delays have extended the project delivery schedule resulting in the need for additional contract administration and inspection services.
  - Unexpected soil conditions resulted in the need for additional excavation, placement of additional granular, asphalt, concrete, and additional restorative activities.

## Financial Considerations

The Bridge Street Drop Off Depot project (10GL1519) has an approved budget of \$3,330,330. The Bridge St. Drop-Off Depot project requires an estimated budget of \$3,593,823 to support extension of contract administration and inspection services, as well as unforeseen geotechnical needs. This results in a budget increase of \$263,493 to complete the project. Per section 6.5 (c)(iii) of the Budget Control By-Law, Council approval is required for budget adjustments from Capital Variance greater than \$250,000.

The budget increase is to be funded by CVP – Waste Management of \$79,048 (30%) and DCs – Waste Management of \$184,445 (70%). As of May 15, 2024, both funding sources have sufficient uncommitted balances to support this request.

A full budget breakdown can be found in Appendix 1 to Report PW 20-2024 – Total Estimated Project Cost.

## **Analysis**

The work at the Bridge Street Drop-Off Depot is being completed as part of a larger landfill improvement project which started in Q3 2023 and included work at the Niagara Road 12 and Humberstone Road landfill sites. At this time, Niagara Road 12 landfill works and Humberstone landfill works are substantially complete; the Bridge Street Drop Off Depot works are approximately 50% complete. The Bridge Street project includes:

- Reducing on-site congestion by incorporating an unopened road allowance so customers with free items can bypass the scale;
- Widening of the driving surface to improve on-site vehicle safety;
- Replacing the end-of-life scale house and scale;
- Expanding the Drop Off Depot to include an additional bunker; and
- Relocating the Dump Pad away from the Drop Off Depot to avoid interactions between heavy equipment and site users.

## **Extension of Contract Administration and Inspection Services**

Associated Engineering (AE) was retained through a competitive procurement process to provide Contract Administration and Inspection (CA&I) Services for the project.

Various project delays have extended the project delivery schedule resulting in the need for additional contract administration and inspection services.

AE's continued participation in the project will help the Region manage delays, reduce risk and mitigate possible cost. For this reason, staff recommend AE continue to provide CA&I services for the remainder of construction and that Purchase Order 0000062163 be adjusted accordingly.

### **Unforeseen Geotechnical Conditions**

In several instances during road and dump pad construction, the soil conditions were found to vary significantly over very small areas. This resulted in the need for additional excavation, placement of additional granular, asphalt, concrete, and additional restorative activities. Staff recommend that the budget for Project 10GL1519 be adjusted as described in the Financial Considerations section to account for these conditions.

### **Future Considerations**

It should be noted that the contractor (Ritestart Limited) has disputed the scope of their contractual obligations, which is contributing to project delays and additional costs.

Staff will work with Ritestart to resolve outstanding disputes using the contractual dispute resolution mechanisms outlined in section GC 3.13 of the contract specifications.

### **Alternatives Reviewed**

Do nothing – Halting the project at 50% completion would not address the needs of site users and replacement of scale house and scale.

Procure further CA&I services competitively - This alternative would (if not awarded to AE) result in a lack of continuity of project team which is necessary to support project completion as well as the mediation process.

### **Relationship to Council Strategic Priorities**

The work at the Bridge Street Landfill site aligns with Council's strategic priorities by implementing continuous improvement and modernized processes as part of being an Effective Region. This work will aid the Region in providing good and safe customer service at the Bridge Street Landfill for years to come, even with the growth that is expected in south Niagara.

### **Other Pertinent Reports**

None.

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**Recommended by:**

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Commissioner of Public Works  
Public Works Department

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**Submitted by:**

Ron Tripp, P.Eng.  
Chief Administrative Officer

This report was prepared in consultation with Andrea Wheaton, Program Financial Specialist, Emil Prpic, Associate Director, Waste Disposal Operations and Engineering, and reviewed by Renee Muzzell, Manager, Program Financial Management and Catherine Habermehl, Director, Waste Management Services.

**Appendices**

Appendix 1            Bridge Street Drop Off Depot Project Budget Breakdown