

**Richmond Hill Centre Terminal Pedestrian Bridge
Component Cost Increases – April 2006 to December 2006**

Richmond Hill Centre Terminal pedestrian bridge, major project cost component increases since the April 2006 estimate are as follows:

Direct Costs (cost attributed to sub-contracted work – 18 separate tenders areas):

- Overall construction values have increased by 6.9% in 2006. This would contribute approximately \$250,000 in increased cost.
- Pricing for the April 2006 estimate was based on estimates and solicited contractor prices at the 60% design stage. Post-tender discussions with these contractors based on a fully completed design, revealed that their early estimates under-stated the complexity, schedule and coordination issues associated with the work. Civil work for site preparation, excavation, building, bridge foundation and pile work were significantly underestimated and accounted for \$670,000 in increased costs (including construction value increases).
- Steel fabrication, supply and erection for the bridge and towers increased by \$326,000 over estimate (including construction value increases).
- The total direct cost for the work is now \$4.6 million versus \$3.6 million estimated in April 2006.

Indirect Costs (cost attributed to Kiewit EllisDon, the Design-Build contractor, to manage the overall work):

- Having the benefit of a fully completed design, a more detailed schedule was prepared, which added approximately 12 weeks to the original 32 week construction schedule (38% increase). This increased overall staff and overhead costs.
- All staff associated with the supervision of the work will be dedicated to the bridge, since there is no other construction work planned at this time for 2007. This requires that a project manager and office engineer be assigned to the project, and increases responsibility for other team members. If additional construction work materializes for the 2007 seasons these costs could be reduced through shared-use of these staff resources. The increase in the indirect staffing costs for job supervision is \$190,000.
- The second tendering effort in December 2006 added approximately \$90,000 to the original cost estimate.
- The total indirect cost has increased from \$666,000 to \$903,000.

The Design-Builders fee, which is calculated as a percentage of the total work, has increased commensurately with the other costs associated with the bridge construction, and accounts for \$153,000 in additional costs.