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ADDITIONAL TOTAL PROJECT BUDGET AUTHORITY REQUEST FOR THE WEST PARK HEIGHTS RESERVOIR UPGRADE

The Environmental Services Committee recommends the adoption of the recommendation contained in the following report dated February 23, 2011, from the Commissioner of Environmental Services.

1. RECOMMENDATION

It is recommended that:

1. Regional Council authorize additional total project budget authority in the amount of \$1,420,000 for the West Park Heights Reservoir Upgrade in order to proceed with the award of the tender.

2. PURPOSE

The purpose of this report is to seek Council authorization for additional total project budget authority for the West Park Heights Reservoir Upgrade. The West Park Heights Reservoir Upgrade forms part of the tender award for the Keswick North Elevated Tank and total project budget authority is required to proceed with award of the combined works.

3. BACKGROUND

Approval of updated construction costs required to award the tender

A report to increase the total project budget authority for the Keswick North Elevated Tank was approved by Council in September 2010. Subsequent to this report, the Region progressed with design resulting in a more detailed and higher construction estimate. In addition, infrastructure improvement upgrades identified in the Infrastructure Improvement Program were added to the scope of the elevated tank project at 90% design stage for the West Park Heights Reservoir as there are operational, schedule and cost benefits associated with coordination of the two projects. Consequently, the work at the West Park Heights Reservoir was included with the tender for the Keswick North Elevated Tank through an addendum. (*See Attachment 1*).

These improvements increase the tendered price by \$1.27 million. The consulting services, in addition to fees for York Region project management and construction

contingency associated with the West Park Heights work is valued at \$150,000 for a combined total of \$1,420,000 to facilitate the upgrades.

The infrastructure improvements to the West Park Heights Reservoir will be funded from an infrastructure improvement project budget that does not have total project budget authority beyond the current year. While the total amount in the 2011 Ten Year Capital Plan as tabled at Regional Council on January 27, 2011 is adequate, the total project budget authority of \$0.6 million included for this project is insufficient to cover the costs of these works. Additional total project budget authority is required for the West Park Heights Reservoir Upgrade to proceed with award of the combined tender.

4. ANALYSIS AND OPTIONS

West Park Heights Reservoir construction costs require budget authority to award tender

The proposed 2011 Capital Budget total project budget authority request is for a total of \$0.6 million and reflects approval of spending to the end of 2011 and does not include expenditures associated with the West Park Heights Reservoir Upgrade. Since the West Park Heights Reservoir Upgrade will be awarded as part of the tender for the Keswick North Elevated Tank, the timing of the West Park Heights Upgrade expenditures need to be advanced such that the 2011 total project budget amount is increased by \$1.42 million. Timing of the expenditures in future years of the Ten Year Capital Plan will be adjusted such that the total project budget will remain at \$6,464,000. A summary of total project budget authority requested increases are shown in Table 1.

Table 1
Total Project Budget Authority Increases

Project	2011 Ten Year Capital Plan (\$)	Additional Total Project Budget Authority per 2011 Budget (\$)	Additional Total Project Budget Authority Request (\$)	Revised Total Project Budget Authority (\$)
78516 Storage Reservoir	6,464,000	600,000	1,420,000	2,020,000*

** Timing of the expenditures in future years of the Ten Year Capital Plan will be adjusted such that the total project budget will remain at \$6,464,000.*

Detailed construction estimates are shown in Table 2.

Table 2
Updated Project Costs for West Park Heights Reservoir Upgrade

Project Component	Cost (\$)
West Park Heights Reservoir Upgrade: • Interior and Exterior Painting • New chlorine mixing system • Upsize process piping to meet ultimate demand • Upgrade electrical, heating and chlorinating system	1,270,000
Construction Administration and Inspection Services	87,464
York Region Project Management and Construction Contingency	62,536
Project Total	1,420,000

The West Park Heights Reservoir Upgrade is anticipated to commence upon completion of the North Keswick Elevated Tank.

5. FINANCIAL IMPLICATIONS

The total project budget authority for the West Park Heights Reservoir Upgrade included in the 2011 Ten Year Capital Budget tabled at Regional Council on January 27, 2011 is insufficient to cover the cost of these works.

Additional total project budget authority of \$1.42 million is required for this project and will be funded entirely from user rates. No additional project budget for this work is required in the Ten Year Capital Plan.

6. LOCAL MUNICIPAL IMPACT

With the advancement of the approved budget for the above noted project, the Region will award the tender to keep these water projects on track and therefore meet the storage requirements of the community of Keswick up to 2051.

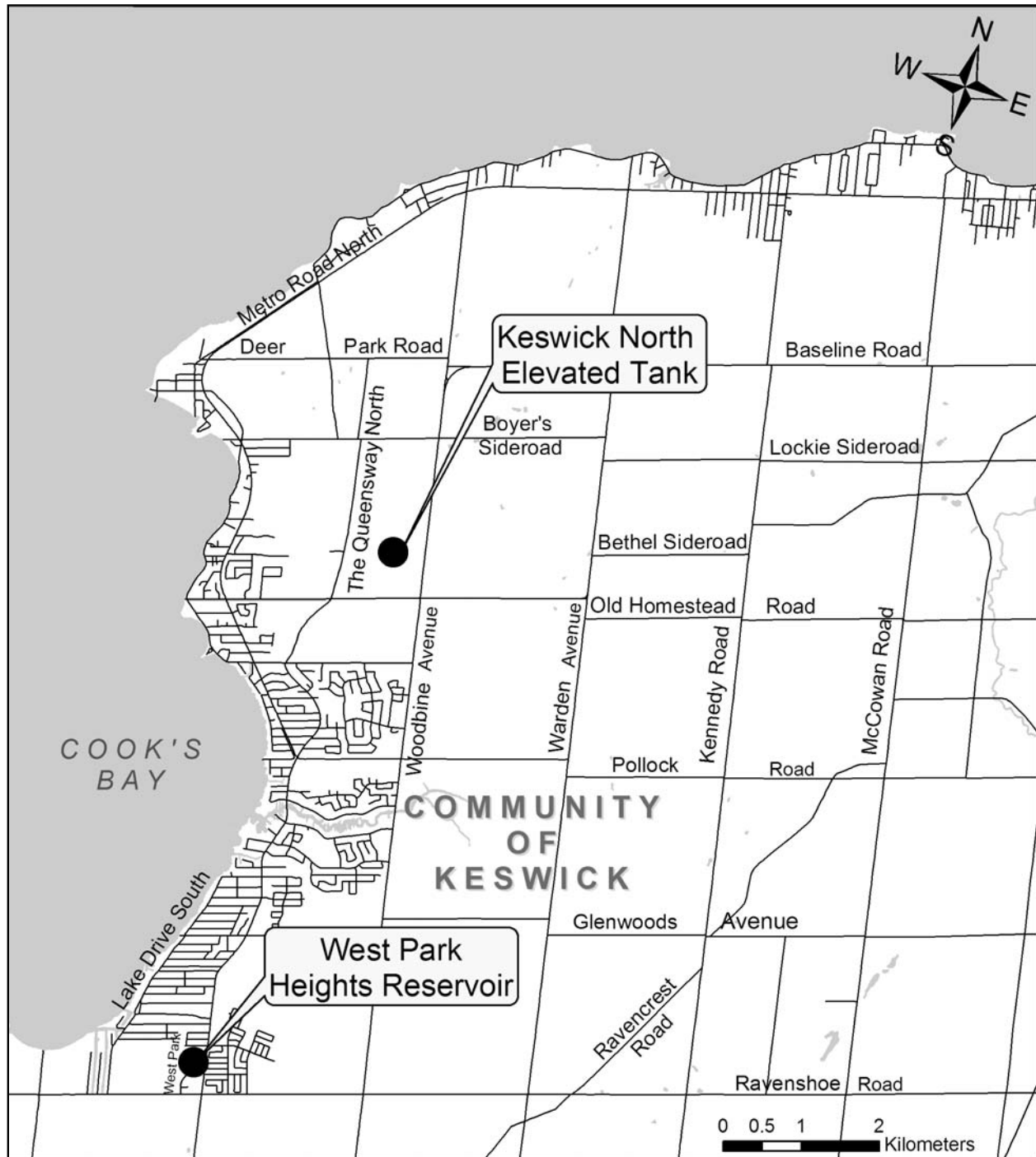
7. CONCLUSION

It is recommended that additional total project budget authority be approved for the West Park Heights Reservoir to facilitate the tender award of these projects.

For more information on this report, please contact Daniel Kostopoulos, Director of Capital Planning and Delivery at (905) 830-4444 Ext. 5070.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)



LOCATION PLAN

Additional Total Project Budget Authority Request
for the West Park Heights Reservoir Upgrade