

Special Municipal Council Meeting AGENDA
Thursday, September 10, 2020 – 9:00 a.m.

1. CALL TO ORDER

2. J Class Roads re Cost Approval..... 1-3

3. ADJOURNMENT



Municipality of the District of Lunenburg

Request for Decision

REPORT TO: Mayor & Municipal Council

SUBMITTED BY: Tom MacEwan, CAO

DATE: September 9, 2020

RE: J Class Roads

RECOMMENDATION

While it is open to Council to approve some, all or none of the increased costs for the J Class Roads (listed below), it is recommended that Council continue to take advantage of the cost sharing opportunity and approve the increase in cost sharing amount for the J Class Roads (listed below) as presented by TIR in the amount of \$79,500 with the source of the funds being the AT Account (01-2323012-950) and it is further recommended that Council direct the Mayor to execute the Notice of Approval in the form provided by TIR.

BACKGROUND

By letter dated June 10, 2020, Council confirmed its acceptance of the cost estimates for the J Class Roads listed below.

As per section 6.2 of the Cost Share Agreement 2018-015, the Province is required to notify the Municipality in writing of any cost overruns of more than 10% on approved projects for the current fiscal year.

The Province has advised us of the following cost increases:

| Road Name | Original Estimate | Tender Amount | New Cost Share Amount | % Over original estimate | Municipality to proceed with project (Y/N – please write in) |
|--|-------------------|---------------|-----------------------|--------------------------|--|
| Gail Avenue, repaving (Additional Funding) | \$180,000 | \$235,000 | \$117,500 | +30.6% | |

| | | | | | |
|--|-----------|-----------|----------|--------|--|
| MacCulloch Road, repaving (Additional Funding) | \$120,000 | \$147,000 | \$73,500 | +22.5% | |
| Jubilee Road, repaving (Additional Funding) | \$70,000 | \$83,000 | \$41,500 | +18.6% | |
| William Hebb Road, repaving (Additional Funding) | \$70,000 | \$109,000 | \$54,500 | +55.7% | |
| Delong Lane, repaving (Additional Funding) | \$50,000 | \$60,000 | \$30,000 | +20% | |
| Fire Hall Road, repaving (Additional Funding) | \$40,000 | \$49,000 | \$24,500 | +22.5% | |
| River Lane, repaving (Additional Funding) | \$30,000 | \$36,000 | \$18,000 | +20% | |

Budget Implications

The original estimate for the above J Class Roads was \$560,000. The tender amount is \$719,000 representing an increase of \$159,000 above the cost estimate. The original cost share amount for these roads (based on the original estimates) was \$280,000 and the new cost share amount (based on the tender amount) is \$359,500 representing an increase of \$79,500.

The Department is prepared to proceed with this work, but it requires the approval of the Municipality to proceed with these revised costs in order to award the contract. TIR has advised that an immediate response is required so that this project may proceed within the current construction season.

We did not budget for this increased expense but we have identified a possible source of funding that could be accessed should Council decide to accept the new cost amounts and proceed with the work.

If Council wishes to proceed with the paving of these J Class Roads at the increased cost sharing amount then Staff are recommending the funds (in the amount of \$79,500) be taken from the AT Account (01-2323012-950 Paved Shoulders – AT Plan). The budgeted amount in this account is \$565,000 and it is fully funded by Gas Tax.

RECOMMENDED MOTION

Council approve the increase in the cost sharing amount for the J Class Roads (listed above) as presented by TIR in the amount of \$79.500 with the source of the funds being the AT Account (01-2323012-950) and Council directs the Mayor to execute the Notice of Approval in the form provided by TIR.

Department: Administration

Report Prepared By: Tom MacEwan, CAO

Date: September 9, 2020

Report Approved By:

Date:

Reviewed By CAO:

Date: