

CITY OF HAMILTON

PUBLIC WORKS DEPARTMENT
Environment & Sustainable Infrastructure Division

TO: Chair and Members Public Works Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: February 6, 2012	
SUBJECT/REPORT NO: Road Cut Restoration - Appropriation Adjustments (PW12007) - (City Wide)	
SUBMITTED BY: Gerry Davis, CMA General Manager Public Works Department	PREPARED BY: Andy Schoen (905) 546-2424, Extension 7363 Pat McNab (905) 546-2424, Extension 4371 Dan McKinnon (905) 546-2424, Extension 5941
SIGNATURE:	

RECOMMENDATION

- (a) That Appendix "A" attached to Report PW12007 respecting 2011 capital budget appropriation adjustments be approved;
- (b) That the purchase order for the 2011 Road Cut program be extended by the amount in Appendix "A";
- (c) That the 2012 Capital Budget for Road Cuts be extended by the amount as outlined in Appendix "A".

EXECUTIVE SUMMARY

Road cut restorations occur as a result of excavation within the roadway by various utility providers and contractors. In 2011 the completion of these restorations has been centralized into one area of the Public Works Engineering Services Section to provide better control and quality assurance as it relates to the timely completion of these cuts.

Throughout 2011 analysis has been completed to identify and process cuts from a variety of sources, including cuts that have been overlooked or improperly input into the electronic management system. A significant amount of cuts were identified in Hansen originating from the Water and Wastewater program area and have been scheduled for

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completion. Additionally an increased number of cuts occurred throughout the winter of 2010/2011 adding additional volume to the 2011 program.

In order to catch up on the outstanding cuts that are currently in the backlog, staff is endeavouring to have asphalt cut restoration continue throughout the 2011/2012 winter season as weather permits. It is expected that, should weather permit, any works completed throughout the winter season will allow for the program to operate in a more timely and responsive way throughout 2012.

Upon review of the road cut restorations performed to date for the Water Wastewater Section, it has been determined that the budget approved in 2011, will not be sufficient. It is being recommended that the appropriation for Capital Budget Project ID 5141111101 (Road Cut Restorations) be increased by \$1,100,000 from \$500,000 to \$1,600,000 and that this increased funding be financed by the transfer of \$1,100,000 of available funding from Capital Budget Project ID 5140661502 (Large Meter Replacement/Repairs). It is also being recommended the appropriation for Capital Budget Project ID 5161111101 (Road Cut Restorations) be increased by \$1,100,000 from \$500,000 to \$1,600,000 and that this increased funding be financed by the transfer of \$1,100,000 of available funding from Capital Budget Project ID 5160866810 (New Maintenance Building) (See Appendix "A").

In addition, it is being recommended that the 2012 Capital projects for road cut restorations be increased based on the 2011 figures (See Appendix "A").

Alternatives for Consideration - See Page 4

FINANCIAL / STAFFING / LEGAL IMPLICATIONS

Financial: The approximate cost to complete the 2011 Road Cut Restoration program, including additional works throughout the winter season, for the Water Wastewater Program Area is \$3,700,000. The 2011 Capital Budget approved \$1,000,000 for the 2011 Road Cut Restoration program. An additional \$500,000 was approved in the operating budget for road cut restorations. There are sufficient surplus funds within the water and wastewater programs to fund the additional \$2,200,000 for the 2011 Road Cut Restoration program and \$500,000 to respond to the increase volume of the 2012 Road Cut Restoration program as outlined in Appendix "A".

Staffing: N/A

Legal: N/A

HISTORICAL BACKGROUND

Prior to 2011 road cut restorations were generally completed through two program areas, being Water/Wastewater and Engineering Services. While cuts originating in Water /Wastewater may have been completed through a number of different contracts, the Engineering Services group used one central contract. In 2011 all cuts were centralized In Engineering Services to create better visibility on the large number of cuts and to improve quality control and the timely repair of the large number of cuts.

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Analysis was undertaken to identify all outstanding cuts and to create a process for ensuring Engineering Services could capture and facilitate the repair of these cuts. While there were a number of efficiencies created through this process, the first year resulted in the identification and resolution of a large number of “lost lambs” identified in the system. Staff have been catching up throughout 2011 and are hopeful that with acceptable weather conditions throughout the winter that the backlog will be resolved by mid 2012.

As part of the 2011 Capital Budget, Council approved \$500,000 in each of the water (5141111101) and wastewater (5161111101) Capital programs and \$500,000 in the operating budget (55035-510275) for a total of \$1,500,000 for road cut restorations now contracted out for the Water Wastewater Section.

Subsequent to Council approval of the 2011 Capital Budget, and based on road cut restorations performed to date, it has been determined that an additional \$1,100,000 is required to complete all of the 2011 road cut restorations. Additionally in order to catch up over the winter months another \$1,100,000 is required to complete cuts that would remain in the queue until the 2012 construction season. Surplus funding within the Water and Wastewater programs due to changes in scope of work is available to cover the additional \$2,200,000 required.

Based on this review of the road cut restorations performed in 2011, it is being recommended that the \$2,000,000 recently approved in the 2012 Capital Budget be increased at this time by \$500,000. Surplus funding within the Water and Wastewater programs due to changes in scope of work is available to cover the additional \$1,500,000 required.

POLICY IMPLICATIONS

The recommendations contained in this report support the Mission Statement of the Public Works Business Plan “Innovate Now”, *“Provide safe, strategic and environmentally conscious services that bring our communities to life.”*

RELEVANT CONSULTATION

Discussions were held with the Manager of Survey/Technical Services in Environment and Sustainable Infrastructure and the Financial Assistant II from Treasury Services to confirm the need and availability for additional funding to complete road cut restorations. It was determined that sufficient funding was available to cover the additional cost of this work within other Water and Wastewater programs.

ANALYSIS / RATIONALE FOR RECOMMENDATION

The recommendation presented in this report is based on immediate infrastructure needs and is focused on addressing the infrastructure deficit of the Road Cut Restoration program. The necessity of this program is required to provide the general

public an acceptable level of service with road transportation which will mitigate claims against the City.

ALTERNATIVES FOR CONSIDERATION

Should Council wish not to approve pursuing the increased investment and implementation of Road Restoration repairs for Public Works through the aforementioned recommendation, then current road restoration volumes will continue to impact a backlog for the 2012 construction season which may not be completed by years end.

This alternative is not recommended, as service levels will continue to decline, along with an increased infrastructure liability, which will continue to compound the current infrastructure challenges facing the City.

CORPORATE STRATEGIC PLAN

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

- ◆ Financially Sustainable City by 2020
- ◆ Delivery of municipal services and management capital assets/liabilities in a sustainable, innovative and cost effective manner
- ◆ Full life-cycle costing for capital
- ◆ Creating a sustainable methodology to address the declining service levels of our infrastructure will address deficiencies and prevent liability claims

Healthy Community

- ◆ Road safety is at the heart of community health. The majority of public infrastructures provide services which create a healthy and vibrant community, such as safe transportation.

APPENDICES / SCHEDULES

Appendix "A": Schedule A - 2011 Capital Budget Appropriation Adjustments

PUBLIC WORKS
Schedule A - 2011 Capital Budget Appropriation Adjustments

Project Number	Project Description	GROSS COST			REVENUE			NET FINANCING REQUIRED			REASON FOR ADJUSTMENT	
		Budget	Increase/ (Decrease)	Revised	Budget	%	Increase/ (Decrease)	Revised	Budget	Increase/ (Decrease)		Revised
5141111101	Road Cut Restoration - 2011 Program	500,000	1,100,000	1,600,000	0		0	0	500,000	1,100,000	1,600,000	Additional funds required to proceed with higher than 1,600,000 anticipated road cuts in 2011 and backlog
5141211101	Road Cut Restoration - 2012 Program	1,000,000	250,000	1,250,000	0		0	0	1,000,000	250,000	1,250,000	Additional funds required for road cut restorations in 2012 based on 2011 analysis.
5140661502	Large Meter Replacement/Repairs	10,974,510	-1,350,000	9,624,510	0		0	0	10,974,510	-1,350,000	9,624,510	Surplus due to change in scope
5161111101	Road Cut Restoration - 2011 Program	500,000	1,100,000	1,600,000	0		0	0	500,000	1,100,000	1,600,000	Additional funds required to proceed with higher than 1,600,000 anticipated road cuts in 2011 and backlog
5161211101	Road Cut Restoration - 2012 Program	1,000,000	250,000	1,250,000	0		0	0	1,000,000	250,000	1,250,000	Additional funds required for road cut restorations in 2012 based on 2011 analysis.
5160866810	New Maintenance Building	8,000,000	-1,350,000	6,650,000	0		0	0	8,000,000	-1,350,000	6,650,000	Meter maintenance will be cared forward under project 5141161502 (New and Replacement Water Meters).
TOTAL INCREASE/(DECREASE)		21,974,510	0	21,974,510	0		0	0	21,974,510	0	21,974,510	