



To: General Purposes Committee

Date: December 22, 2010

From: John Irving, P.Eng. MPA
Director, Engineering

File: 10-6050-01/2010-Vol
01

Re: Project Extensions for Grant Funded Projects

Staff Recommendation

That:

(1) staff submit an application for project deadline extensions for grant funded Infrastructure Stimulus Fund (ISF Projects 14845 (Lulu Waterworks) and 14846 (Gravity Sewer, Forcemain and Pump Station)).

(2) the Infrastructure Stimulus Fund Projects 14845 (Lulu Waterworks) and 14846 (Gravity Sewer, Forcemain and Pump Station) be finished before October 31, 2011, and that the City will accept responsibility for any costs incurred on these projects beyond October 31, 2011.

ACTING DIRECTOR FOR
John Irving, P.Eng. MPA
Director, Engineering
(604-276-4140)

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>
REVIEWED BY CAO	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

Staff Report

Origin

In 2009, the City applied for and received federal and provincial grants under Canada's Economic Action Plan. A condition of the grant funding is that all projects are to be complete by March 31, 2011. On December 2, 2010, the federal government announced that the opportunity to extend the deadline for these projects would be extended to October 31, 2011.

The purpose of this report is to seek a council resolution to extend the Economic Action Plan grant funded City projects to October 31, 2011.

Analysis

Canada's Economic Action Plan was created in 2009 to help stimulate the economy by providing grants for eligible projects. Under the grant program, the City pays a fixed percentage of the project cost, and the federal/provincial government pays the balance. For Infrastructure Stimulus Fund (ISF) projects, the grant will pay for 2/3 of eligible costs.

Staff successfully applied for and received grant funding for a number of projects under these and other programs. This success allows these projects to be completed with significantly lower cost to the City.

Under the ISF and RInC programs, the following grants were received:

- ISF Project #14845 – Lulu Waterworks (\$4,126,000 grant funding)
- ISF Project #14846 – Gravity Sewer, Forcemain and Pump Station (\$2,699,334 grant funding)

The original conditions of the grant funding required that these projects be substantially complete by March 31, 2011. Costs for work performed after March 31, 2011 would not be eligible for grant funding, and the City would be responsible for these costs.

Staff have remained aware of the March 31, 2011 deadline since the grants were awarded, and have scheduled the design and construction activities accordingly. With this careful planning, the grant funded projects have remained on schedule. However, the schedules are tight, and there is still the risk of weather delays or other unforeseen delays in the coming months.

To avoid the potential loss of grant funding due to unanticipated delays in construction, Staff recommend that extensions be sought for ISF Projects 14845 and 14846. An extension will also allow the City to claim approximately \$225,000 of additional grant funding for final asphalt paving, as this is normally done approximately 6 months after project completion to allow for ground settlement.

The deadline to apply for an extension is January 14, 2011. One of the items required in the grant extension request, is a Council resolution for municipal projects committing to finish the projects, and accepting responsibility for any costs incurred beyond October 31, 2011.

Financial Impact

There is no financial impact.

Conclusion

The City has had great success in obtaining grant funding for a number of City projects. These projects are currently on schedule. There is an opportunity to obtain schedule extensions, which will mitigate the risk of losing grant funding due to unanticipated construction delays, and allow for final paving costs to be grant funded.

A handwritten signature in black ink, appearing to be 'Milton Chan', with a long horizontal line extending to the right.

Milton Chan, P.Eng.
Senior Project Engineer
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MC:mc