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**Report To:** Mayor Carl Zehr and Members of Council

**Date of Meeting:** April 16, 2007

**Submitted By:** Larry Lynch C.E.T.  
Manager, Engineering Infrastructure - Engineering Services

**Prepared By:** Jim Oakley C.E.T.  
Project Manager - Engineering Services

**Ward(s) Involved:** 6 - West-Victoria

**Date of Report:** April 12, 2007

**Report No.:** DTS-07- 057

**Subject:** ADDITIONAL FUNDING FOR HEINS AVENUE ROAD  
RECONSTRUCTION - TENDER T07-004

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**RECOMMENDATION:**

That the transfer of \$152,000.00 (an upset limit) from Index #852420 – “Uncommitted Infrastructure” to Index # 852212 – “Heins Avenue Road Reconstruction” to fund the anticipated project deficit, due to increased environmental remediation, be approved.

**BACKGROUND:**

Tender T07-004, Heins Avenue (Jubilee Drive to Joseph Street) Road Reconstruction was awarded by Council on March 19, 2007, to J. Weber Contracting limited at their tendered price of \$680,680.00.

A follow up geotechnical report by Naylor Engineering, was received by the City, on Thursday April 5, 2007, which indicated additional non-hazardous coal tar contaminated material.

**REPORT:**

Due to the urgency of this issue, this report is being brought directly to Council and bypassing the DTS Committee. The contractor was given a start date of April 16, 2007, and has geared up his operations to meet this date. I have asked the contractor to delay his start for two additional days, in order to deal with this matter, and he has reluctantly agreed, but any further delays would likely incur extra standby costs, that would be passed on to the City of Kitchener.

The first geotechnical report by Naylor Engineering for Heins Avenue was received January 26, 2007. This report indicated only minor non-hazardous, coal tar contamination below the asphalt pavement, that was sitting on top of an underlying concrete road base. This quantity was estimated by Engineering to be approximately 400 tonnes, and was included in the form of tender for removal.

Naylor Engineering was to immediately follow up with additional coring of the pavement structure in early February in order to quantify the amount of this contaminated material. These additional cores were not done until March 14, 2007, and this report was not received, by the City, until April 5, 2007. This second report indicated that there was an additional 2,300 tonnes of non-hazardous coal tar contaminated material, found below the underlying concrete road base.

There is also approximately 1,500 tonnes of surplus excavated material, that may have elevated levels of chlorides, that exceeds the MOE Table 2 criteria for Sodium Adsorption Ratio (SAR). This SAR exceedance in the soil is considered to be the result of run-off and infiltration of road salt, used for de-icing purposes along the street corridor. Naylor Engineering is currently analyzing soil samples from previous boreholes for elevated chloride levels, and these results should be available within the next few days. At present this salt contaminated material can not be accepted at gravel pits for in-filling, do to MOE and MNR regulations. Depending on the results of the SAR testing, this salt contaminated material may have to be disposed of at a properly licensed location, which would result in an additional cost to the tender.

**FINANCIAL IMPLICATIONS:**

The additional estimated 2,300 tonnes of non-hazardous coal tar contaminated material will increase the tendered amount by approximately \$120,000.00 (net of GST). As well, it is anticipated that there could be upwards of 1,500 additional tonnes of salt contaminated material would increase the tendered amount by approximately \$75,000.00 (net of GST). Therefore the upper limit of the total estimated increased cost to the tender would be \$195,000.00.

The tender report for Heins Avenue (FIN 07-031 - March 8, 2007) indicated that there is a balance of \$43,839.06 projected in index #852212 "Heins Avenue Road Reconstruction". After this amount is applied to the projected over-run, the additional amount required to cover the projected over-run can be reduced to \$152,000.00. Staff proposes to transfer the required amount of funding, up to a limit of \$152,000, once the extent of salt contaminated material is confirmed.

At the time of developing the accelerated infrastructure model, provision was made for the anticipated cost of environmental remediation within road allowances. Because the extent of contamination on specific projects was not known, it was contemplated that the triple-funded uncommitted capital account would be a source of funding to address soil contamination when it was identified on a project and where the project budget was insufficient to provide for the cost of remediation. As such, the use of uncommitted funds for this projected over expenditure is consistent with the intent of the account. The projected balances for the uncommitted account are as follows:

	Opening Balance	Heins Ave.	Ending Balance
C/C	871,904	(34,960)	836,944
Water	313,493	(47,120)	266,373
Sewer	2,509,446	(69,920)	2,439,526
	3,694,843	(152,000)	3,542,843

**CONCLUSION:**

The scheduled start of construction on Heins Avenue was set for Monday April 16, 2007.  
This project has been put on temporary hold, until after Council has dealt with this matter.

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Jim Oakley  
Project Manager – Engineering Services

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Larry Lynch  
Manager, Engineering Infrastructure