

Background

The City of Greater Sudbury has received approval from the Province of Ontario and the Government of Canada to Proceed with Phase 1 of the Maley Drive Extension Project at a cost of \$80.1M. The total cost is to be split between the three parties, with each contributing \$26.7M. Since this announcement, the City has awarded two large construction contracts and is in the process of issuing the third and final large construction contract.

Phase 1 of the Maley Drive Extension Project is currently on schedule for substantial completion at the end of 2019 and there is a forecasted funding surplus of approximately \$4M. There are a variety of reasons for the funding surplus. The major reasons are a competitive market for very large earth works contracts in the northeast Ontario region, resulting in lower than expected unit prices, and a savings in the expected cost to relocate utilities. Both of the large construction contracts have closed below the estimated budget.

There are still several outstanding risks with the project that could result in the funding surplus not being realized. These include the tendered cost of the third large construction contract, unforeseen issues in construction such as soil conditions, and additional costs related to utility relocations.

If the projected funding surplus of \$4M is realized, it can be used to extend the four lanes of Maley Drive from Barry Downe Road to Lansing Avenue, including the construction of a roundabout. This section of Maley Drive is forecast to be one of the busiest sections, and it will reduce the cost and scope of the future Phase 2 Maley Drive project.

Discussions with Senior Levels of Government

There is an Oversight Committee established for the Maley Drive Project that is comprised of representatives from the Federal Government, the Provincial Government, and City Staff. At the last Oversight Committee meeting the potential for a funding surplus was discussed and the potential of expanding the scope of the project to spend the funding surplus was discussed. Both the Federal and Provincial Governments indicated that the request to extend the scope will be considered as the additional scope is part of the Phase 2 Maley Drive Project. However, their amount of funding will not be increased. The request to extend the scope will require Council approval, a business case, and may take several months to process. Once scope is added to the project, it will be required to be completed to receive the full funding commitment of the Federal and Provincial governments. As per the existing funding agreements, any cost overruns are the responsibility of the City.

Proposed Additional Scope

It is unusual to contemplate additional scope for a project at this stage of completion. However, the Maley Drive Project is unique due to the funding relationships and the schedule requirements. Typically, prior to authorizing additional scope the risks to the project budget would be mitigated. Unfortunately, for the Maley Drive project this would result in construction completion well beyond 2019 and a significant amount of work that would need to be removed.

The approach being proposed is to include the additional scope, four lanes of road between Barry Downe Road and Lansing Avenue with a roundabout, in the next large construction contract. The authorization for the construction of two of these lanes will be withheld until a future date, likely in early 2019, with language that allows the City to reduce the scope without penalty. Authorization to proceed will be required from the Federal Government, Provincial Government, and Council.

This approach delays the decision for including the additional scope until the project is closer to completion, such as tender pricing and utility relocations. This will allow the City to competitively procure the additional scope, and it allows the City to maintain a substantial completion date of 2019.

This approach also minimizes the logistical issues with connecting the two large construction contracts and minimizes the amount of temporary work required to connect the contracts.

Recommendation

It is recommended that the next large construction contract be tendered including four lanes for Maley Drive between Barry Downe Road and Lansing Avenue including a roundabout, and that the contract be structured that authorization will be provided at a later date prior to constructing two lanes between Barry Downe Road and Lansing Avenue.

Staff will report back to Council with a financial update and business case for authorization to proceed with applying to the Federal Government and the Provincial Government to include the additional scope in the funding agreements. The additional construction will then be authorized if approved by both the Federal and Provincial governments.

Public Consultation Update

On May 2, 2018, a Public Consultation Session was held to discuss the status of the ongoing project and consult with the neighbouring community. Staff as well as the Engineering Consultant, the General Contractor, the Blasting Sub-contractor, and the

Blasting Consultant attended the session. Two presentations were given and questions were answered in the group setting or on an individual basis.

This meeting was well attended and there were many questions and several concerns were raised. The questions were focused on the schedule of the project and the scope of work. The concerns were mainly regarding the ongoing blasting, noise and vibration, and the noise of future traffic.

The City has since created a website to keep residents informed, and can be accessed at: <https://overtoyou.greatersudbury.ca/maley-drive-extension-project>. Several other mitigation measures were proposed at the meeting and since implemented, such as additional sirens being sounded prior to blasting and restricting certain types of blasting during unfavorable weather conditions.

A second Public Consultation Session is proposed in the fall to provide further updates on construction and detail on the work on existing Maley Drive.

Construction Update

The following is a summary of the status of the three large construction contracts.

Contract 16-35 Maley Interchange and Notre Dame Realignment

This contract closed on July 7, 2016, and was awarded to Bot Engineering & Construction Ltd. Traffic was diverted to the realigned Notre Dame Avenue in December 2017 and the remainder of the contract will be substantially complete by early July 2018. The value of this portion of the project is approximately \$21M including construction, engineering, contract administration, and utility relocations.

Contract 17-35 Maley Drive Four Lanes from Frood Road to Barry Downe Road

This contract closed on January 16, 2018, and was awarded to Teranorth Construction & Engineering Limited. This contract is scheduled to be substantially complete in November 2019. With the favorable unit rates for rock removal in this contract, the limits of rock excavation were extended to minimize future maintenance costs. The value of this portion of the project is approximately \$44M including construction, engineering, contract administration, and utility relocations.

Contract 18-35 Maley Drive from Barry Downe Road to Falconbridge Highway

This contract will close this summer, and it is scheduled to be substantially complete in November 2019. The scope of this contract is to reconstruct existing Maley Drive from Barry Downe Road to Falconbridge Highway with approximately 700 m of water main improvements between Junction Creek and National Street, and intersection improvements at Falconbridge Highway. It is anticipated that the pipe and culvert work

will be completed in 2018, with the majority of road reconstruction occurring in 2019. This tender will include the additional scope of work if approved by council.