

Transportation Services 2016 Capital Budget Adjustments

Date: September 14, 2016
To: Budget Committee
From: Acting General Manager, Transportation Services
Wards: All
Reference: P:\2016\Cluster B\TRA\gmo\bu1601gmo

SUMMARY

This report requests City Council's authority to amend Transportation Services' Approved 2016 Capital Budget by adjusting cash flows contained within the 2016 Budget to align with project delivery schedule and program requirements. These reallocations will allow Transportation Services to continue to deliver projects within its capital plan. The adjustments will have a zero dollar impact on the 2016 Transportation Services' Approved Capital Budget.

RECOMMENDATIONS

The Acting General Manager, Transportation Services recommends that:

1. City Council authorize the reallocation of funds within Transportation Services' Approved 2016 Capital Budget in the amount of \$15.750 million, for funding of projects, as presented in Attachment 1, with a zero budget impact.

FINANCIAL IMPACT

There are no additional costs to the City as a result of the approval of this report. The recommended adjustments will align the 2016 Transportation Services' Approved Capital Budget with Transportation Services' updated capital project delivery schedules and program requirements.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting of February 17, 2016, City Council approved Transportation Services' 2016 Capital Budget and 2017-2025 Capital Plan, which included approval of a 2016 Capital Budget cash flow of \$336.501 million and 2015 carry-forward funding of \$146.998 million. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewPublishedReport.do?function=getCouncilDecisionDocumentReport&meetingId=10870>

At its meeting of May 3, 4 and 5, 2016, City Council approved additional carry forward funding from unspent capital projects and adjustments to the 2016 Approved Capital Budgets for respective City Programs and Agencies in order to continue work on previously approved capital projects, with no incremental net impact on debt. The adjustment to the carry-forwards for Transportation Services resulted in an overall budget decrease of \$33.085 million. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX14.12>

COMMENTS

Transportation Services is seeking approval to amend the 2016 Approved Capital Budget of \$450.863 million to better align cash flows with revised forecasted expenditures, reflecting capital project delivery and program requirements. The amendments will ensure proper funding is in place to tender and award contracts.

Attachment 1 lists the 2016 approved and revised cash flows for the program areas and accounts that are proposed to be adjusted. The adjustments are needed to provide additional funding for projects that are proceeding ahead of schedule due to favourable weather/site conditions or strong consultant/contractor performance, projects for which the scope has increased, and projects with higher bid prices due to market price fluctuations and / or new contract requirements.

It is proposed that the additional funding be drawn from those programs that are currently estimated to be under-spent by year-end, due to lower than expected bid prices on individual contracts or projects that are behind schedule because of: additional time required to complete designs due to complexities within the infrastructure, the property acquisition process, unforeseen ground/site conditions, inclement weather, technical coordination to maintain operations uninterrupted, consultant/contractor performance issues, or negotiation of final payments.

Brief explanations for each of the affected program areas is presented below.

1) Laneways / Local Road Rehabilitation

Additional funding is required for Laneways and Local Road Rehabilitation projects due to higher than estimated tender costs as a result of additional work required to improve road structure and/or drainage. Furthermore, increased costs have been experienced for local road resurfacing contracts in 2016, bringing the total additional cash flow required for the Laneways and Local Road Rehabilitation program areas to \$8.5 million.

2) Major Road Rehabilitation

Costs for a number of major road projects, namely Burnhamthorpe Road, Martin Grove Road, Warden Avenue and Ellesmere Road / Markham Road, collectively were more than original budget estimates. As well, additional costs are needed for projects that will be delivered ahead of schedule. The total additional cash flow required for the Major Road Rehabilitation program area is \$4.75 million.

3) Gardiner York/Bay/Yonge Ramp Reconfiguration

An additional \$2.5 million is being recommended in order to complete the Gardiner York/Bay/Yonge Ramp Reconfiguration project. The additional funding is needed for the acquisition of additional property, including purchase, legal fees, appraisals and other costs, as well as for additional construction contract administration.

4) City-Bridge Rehabilitation

The City-Wide Bridge program will be underspent by \$15.325 million in 2016 as a result of delays to the tendering of a number of projects. The reasons for the delays include: extra time needed to acquire property and easements, added project scope, and delays in obtaining final designs and permit approvals.

5) Don Valley Parkway Rehabilitation

The Don Valley Parkway program had only one major contract award in 2016, for work that was performed during the annual Spring Maintenance, which took place from April 15 to 17, 2016. The value of the contract award was below the budget estimate by approximately \$425,000.

CONTACT

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SIGNATURE

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Acting General Manager, Transportation Services

ATTACHMENTS

Attachment 1: Proposed 2016 Budget Adjustments

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Program Area	CTP Account	2016 Approved Cash Flow	2016 Proposed Adjustment	Revised 2016 Cash Flow
Local Road Rehabilitation	315-07	\$46,471,000	\$7,750,000	\$54,221,000
Laneways	315-05	\$1,898,000	\$750,000	\$2,648,000
Major Road Rehabilitation	315-06	\$58,796,000	\$4,750,000	\$63,546,000
Gardiner York/Bay/Yonge Ramp Reconfiguration	814-56	\$11,988,783	\$2,500,000	\$14,488,783
City Bridge Rehabilitation	515-01	\$47,326,000	(\$15,325,000)	\$32,001,000
Don Valley Parkway Rehabilitation	110-1	\$2,827,949	(\$425,000)	\$2,402,949
Total		\$169,307,732	\$0	\$169,307,732