

## **Pay the bill for recycling plant, committee recommends**

Wed Jan 16, 2008

DURHAM-- The Region should pay the outstanding bill on its new materials recovery facility, the works committee recommended last week.

Regional Chairman Roger Anderson moved the recommendation to pay Gottardo Construction Limited and Metro Municipal Recycling Service Inc. \$873,900 in extra costs, with the lion's share going to the construction company.

"I, like the rest of you, was not pleased with the additional cost of the construction of this facility," said Mr. Anderson.

If approved by council, the new project budget for the recycling plant would be almost \$16.6 million.

Since the Region saved almost \$400,000 in consulting fees that can be re-allocated within the project budget, \$485,000 in additional financing will be required to pay the bill.

Works commissioner Cliff Curtis recommended funding the extra cost from federal gas tax money.

"With this particular case, we did notify works committee we were getting additional requests for funds from the contractor," said Mr. Curtis.

In May, council approved an additional \$100,000 for the project, which was to be taken from the consulting fee allowance. In November, the full extent of the overruns was presented to the committee. Mr. Curtis at the time said it was always his intention to report on the project, but he wanted to know the full impact and the solution before doing so. Staff attributed the cost overruns to a high water table and poor soil conditions, the extent of which were not known at the time of the tender. The project still came in \$3 million under the next lowest tender, said Mr. Curtis.

Still, many councillors were blindsided by the news and the issue was tabled until January.

"I apologize to Mr. Curtis for calling from Toronto and ripping his ear off when it comes to this report," said Mr. Anderson at last week's meeting.

Councillors also said that future contracts wouldn't allow similar overruns.

"We now move forward knowing future proposals will be looked at more thoroughly," said Whitby Councillor Gerry Emm.

The issue goes to Regional council on Jan. 23.