

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: January 12, 2026
TO: Mayor and Council
FROM: Kristian Davis, Manager, Public Works
SUBJECT: 2024 Paving Program Budget Overage

RECOMMENDATION

THAT Council receive the corporate report dated January 12, 2026, from the Manager of Public Works, titled “2024 Paving Program Budget Overage” for consideration and to approve a 15.34% contingency for the 2024 White Rock Paving Program.

EXECUTIVE SUMMARY

Staff are recommending Council approve 15.34% contingency for the 2024 Paving Program for overage costs due to poor ground conditions.

PREVIOUS COUNCIL DIRECTION

Council approved road paving contracts to All Roads Construction Ltd. at the October 7, 2024, Council meeting.

Motion # & Meeting Date	Motion Details
2024-351 October 7, 2024	<ol style="list-style-type: none">1. Receive for information the Corporate Report dated October 7, 2024, from the Manager of Public Works, titled “2024 White Rock Paving Program – Contract Award;”2. Approve the award of a contract for the 2024 White Rock Paving Program to All Roads Construction for \$965,676.60 (excluding GST); and3. Authorize the Director of Engineering and Municipal Operations to execute all contract documentation required for the project.

INTRODUCTION/BACKGROUND

The 2024 White Rock Paving Program was approved by Council for \$965,676.60, with the total projected cost now estimated at \$1,113,807.20, an increase of \$148,130.60 (approximately 15.34%). This exceeds the 15% limit set by the City’s Purchasing Policy, requiring Council approval for additional contingency.

Paving upgrades were completed at the following locations:

- Thrift Avenue (Best Street to Finlay Street)
- North Bluff Road (Anderson Street to Oxford Street)
- Kent Street (Marine Drive to Columbia Avenue)
- Keil Street (Columbia Avenue to Pacific Avenue)
- Pacific Avenue (Ewson Street to Stayte Road)
- Fir Street (Royal Avenue to Pacific Avenue)
- Semiahmoo Avenue (15600 block to cul-de-sac)
- Oxford Street (major patching between McDonald Avenue and Thrift Avenue)

The contract value was primarily based on labour and material quantities. The majority of the overage resulted from poor soil conditions beneath the existing asphalt. For example, the tendered cost to repave Pacific Avenue from Ewson Street to Stayte Road was \$210,000, while actual costs reached \$422,000, an overage of \$212,000 for that section alone. Although some scope reductions occurred (e.g., removal of Martin Street), the overall difference remains \$148,130.60.

FINANCIAL IMPLICATIONS

The City's Procurement Policy #301 states that a purchasing contract may include provisions for modification during performance; however, no contract may be increased by more than 15% of the original contract value without advance approval from the appropriate level of authority.

For construction projects, changes up to a cumulative 15% over the original contract value may be authorized if budget funds are available. Any increase beyond this threshold requires Council approval, and an approved funding source must be identified.

LEGAL IMPLICATIONS

If Council does not approve the contingency increase, the City cannot legally pay the full amount because it exceeds the 15% limit set by the Purchasing Policy. This could result in delayed payment, contractor claims, interest charges, and potential legal disputes. The alternative is to approve the contingency, ensuring compliance with policy and timely payment for completed work.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

Engineering & Municipal Operations staff worked with Finance staff on this report.

OPTIONS / RISKS / ALTERNATIVES

Council may approve the 15.34% contingency to allow full payment for completed work, ensuring compliance with the Purchasing Policy and avoiding legal or financial risks.

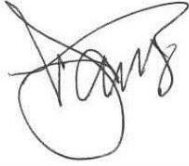
Alternatively, Council could decline approval; however, this would prevent payment of the outstanding amount, potentially leading to contractor claims, interest charges, and legal disputes. A third option would be to defer the decision, which could also result in delays and similar risks.

CONCLUSION

The 2024 White Rock Paving Program experienced cost overruns primarily due to unforeseen poor soil conditions, resulting in a total project cost of \$1,113,807.20, approximately 15.34% above the Council approved value of \$965,670.60. This exceeds the 15% contingency limit outlined in the City's Purchasing Policy, and Council approval is required to authorize payment

for completed work. Approving the additional contingency ensures compliance with policy, timely payment to the contractor, and avoids potential legal and financial risks associated with delayed settlement.

Respectfully submitted,



Kristian Davis
Manager, Public Works

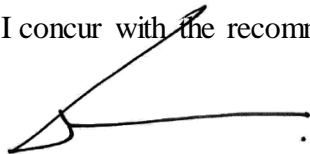
Approved by,



Jim Gordon, P.Eng.
Director of Engineering and Municipal Operations

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: Procurement Policy #301