



## REPORT N° INF2019-032

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| <b>Date</b>         | 18/11/2019   |
| <b>Submitted by</b> | Julian Lenhart   |
| <b>Subject</b>      | Contract      Award      Wastewater<br>Treatment Plant |
| <b>File N°</b>      | INF2019-032  |

### 1) **NATURE/GOAL :**

The purpose of this report is to increase the funding authority for the wastewater treatment plant upgrade program and award the construction contract for these works.

### 2) **DIRECTIVE/PREVIOUS POLICY :**

Council provided direction to staff to bring forward a report for the November 18, 2019 Council agenda with respect to increasing the funding authority for the subject program and awarding the associated construction contract. This report addresses that direction.

### 3) **DEPARTMENT'S RECOMMENDATION :**

**WHEREAS** Council has approved funding for the Wastewater Treatment Plant Upgrades in the amount of \$12,600,000;

**WHEREAS** tenders were called to retain a general contractor for this project;

**WHEREAS** Louis W Bray Limited submitted the lowest bid in the amount of \$16,923,760 (excluding HST);

**WHEREAS** the revised project expenditures for the upgrades are now estimated to be \$22,000,000;

**BE IT RESOLVED THAT** an additional \$9,400,000 in funding authority be approved for this project bringing the project cost upset limit to \$22,000,000;

**BE IT FURTHER RESOLVED THAT** this additional funding be secured from the issuance of long-term debt;

**BE IT FURTHER RESOLVED THAT** the City execute an agreement with Louis W Bray Limited in the amount of \$16,923,760 (excluding HST) for the construction of the wastewater treatment plant upgrades.

**ATTENDU QUE** Le Conseil a approuvé un financement de 12 600 000 \$ pour la modernisation de l'usine de traitement des eaux usées;

**ATTENDU QUE** des appels d'offres ont été lancés pour retenir les services d'un entrepreneur général pour ce projet;

**ATTENDU QUE** Louis W Bray Limited a présenté l'offre la plus basse, au montant de 16 923 760 \$ (TVH en sus);

**ATTENDU QUE** les dépenses de projet révisées pour les améliorations sont maintenant estimées à 22 000 000 \$;

**QU'IL SOIT RÉSOLU QU'**une autorisation de financement supplémentaire de 9 400 000 \$ soit approuvée pour ce projet, ce qui porte à 22 000 000 \$ la limite de dépassement des coûts du projet;

**QU'IL SOIT RÉSOLU QUE** ce financement supplémentaire soit financé par l'émission de dette à long terme;

**QU'IL SOIT RÉSOLU QUE** la Cité signe avec Louis W Bray Limited une entente d'un montant de 16 923 760 \$ (TVH en sus) pour la construction de la modernisation de l'usine de traitement des eaux usées.

#### **4) BACKGROUND :**

In October 2017, Council approved an amendment to the capital works budget for this project to an upset limit of \$12,586,000 and is to be funded as follows:

|                      |             |
|----------------------|-------------|
| Development Charges: | \$5,000,000 |
|----------------------|-------------|

|                           |             |
|---------------------------|-------------|
| Long Term Debt Financing: | \$7,586,000 |
|---------------------------|-------------|

The City had received approval for \$1.14 million in financial assistance from the Ontario Community Infrastructure Funding (OCIF) program. Receipt of these monies was conditional on the approved construction works being completed by no later than December 31, 2019. In an effort into comply with this timeline, staff elected to "compress" the project tender award date by prequalifying contractors. Contractors were requested to submit an expression of interest to undertake the construction work by providing a general overview of the firm, detailing their experience's on similar related projects and delineate their capacity to undertake a project of this magnitude. etc.

Ultimately five (5) firms were shortlisted to provide quotations for the approved scope of work associated with the wastewater treatment

plant upgrades. Tenders were sent out to general contractors on August 1, 2019 and closed September 6, 2019. The following bids were received for the project:

|  |              |
|--|--------------|
| Louis W Bray Construction Limited          | \$16,923,760 |
| Asco Construction Inc.                     | \$17,816,076 |
| North America Construction (1993) limited  | \$20,031,030 |
| Thomas Fuller Construction Company Limited | \$21,594,613 |
| Ed Brunet & Associates Canada Inc.         | No Bid       |

The low bid from Louis W Bray Construction Limited was reviewed by the project team and found to be without any irregularities. Reference checks were also undertaken with organizations that have worked with the firm and were found to be acceptable.

## 5) **DISCUSSION :**

Based on Louis Bray's low bid of \$16,923,760, the projected cost of the wastewater treatment plant is summarized as follows:

|   |              |
|---|--------------|
| Construction Contracts:                   | \$16,923,760 |
| Engineering (design, CA, inspection etc.) | \$1,414,000  |
| Contingency (17.85%) (Approx.)            | \$3,273,290  |
| HST (1.8%) (Approx.)                      | \$388,949    |

|                    |              |
|--------------------|--------------|
| Total Project Cost | \$22,000,000 |
|--------------------|--------------|

### *Value Engineering:*

It is acknowledged that there is a significant cost increase required for this project. Staff has had discussions with the contractor and it has been agreed that a Value Engineering exercise will take place after the award in order to assess if there are any cost efficiencies that can be realized. The contractor's perspective would be value in assessing areas where cost savings may be realized.

There is a requirement to amend the approved funding allocation for this project. Accordingly, staff recommends that an additional \$9.4 million in long-term debt financing be approved for this project.

### *Staff Recommendations:*

It is recommended that:

- Louis W Bray Construction Limited be awarded the construction contract for the wastewater treatment plant works to an upset limit of \$16,923,760 and

- the funding authority for the treatment plant works be amended from \$12,586,000 to \$22,000,000 with the additional funding authority coming from the issuance of Long-Term Debt.

*Implementation Schedule:*

Subject to Council's approval of the award an additional funding requirements, the following provides a summary of the key milestone dates associated with this project:

|   |                        |
|---|------------------------|
| Committee recommendation-amended budget   | November 18, 2019      |
| Council Approval                          | December 02, 2019      |
| Contract Award                            | December 03, 2019      |
| Construction Start                        | May 2019               |
| Construction Completion and Commissioning | December 2021          |
| Post Construction and Warranty            | Jan. 2022 to Jan. 2023 |

6) **CONSULTATION:**

The municipality has had discussion with local affected residents and businesses regarding the issues surrounding the operation of the water treatment plant. These consultations of discussions will continue as the project proceeds forward.

7) **RECOMMENDATIONS OR COMMENTS FROM COMMITTEE/ OTHER DEPARTMENTS :**

N/A

8) **FINANCIAL IMPACT (expenses/material/etc.) :**

Currently the approved funding for the Waste Treatment Plant upgrades in the amount of \$12.6 million have been approved as part of the 2018 Capital Works Budget deliberation process. \$5 million was funded from development charges and \$7.586 million to be debt financed. Staff recommends that the increased budget requirement of \$9.4 million, the funding will be secured from the issuance of long-term debt financing.

9) **LEGAL IMPLICATIONS :**

Failure to implement the waste treatment plant upgrades could result in legal actions from the affected businesses and area residents. As well, the Ministry of Environment and Climate Change (MOECC) may elect to issue a Provincial Order if the municipality does not demonstrate a willingness to address the waste treatment plant requirements. The City also increases the risk of wastewater discharge quality not meet MOECC criteria as stipulated in the City's ECA. This could result in the issuance of Provincial Orders or fines.

10) **RISK MANAGEMENT:**

Implementation of this program will demonstrate the municipality's commitment to providing effective stewardship of its infrastructure. The program will assist in mitigating the negative operational issues such as odour generation etc. at the treatment facility

11) **STRATEGIC IMPLICATIONS:**

The installation of a preliminary screen for the sewage treatment plant will reduce odours and will allow the proper treatment of sewage prior to discharging into the Ottawa River. This will place the City in compliance with MOECC effluent discharge criteria. It will also allow the business owners in the industrial park full enjoyment of their properties and no impacts on their clients. Delaying the repair of the concrete slab could result in increased deterioration leading to an increased safety risks and future repair costs and prevent the City from using this valuable storage area. The upgrades of the Pumping Station #1 and the twinning of the sanitary sewage forcemain will allow for growth to continue. Without these upgrades further large development may be jeopardized.

12) **SUPPORTING DOCUMENTS:**