

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT

REPORT TO: **Committee of the Whole**
MEETING DATE: **October 20, 2014**
REPORT NO.: **EPW.14.069**
SUBJECT: **Thornbury Water Treatment Plant – Wellington Construction Request for Balance Owing**

PREPARED BY: **John Caswell, Manager of Water & Wastewater Services /Asst Director**

A. Recommendations

THAT Council receive Staff Report EPW.14.069 entitled “Thornbury Water Treatment Plant – Wellington Construction Request for Balance Owing”;

AND THAT Council approves payment to Wellington Construction Ltd. in the amount of \$28,915.92.

B. Background

On June 10, 2008 the Town Council awarded Tender (TBM-2008-01) Thornbury Water Treatment Plant Pall Membrane Filter System to Wellington Construction Ltd. for \$4,380,000 (plus GST). The upgrade was required to replace the existing conventional filters with membrane units to maintain the plant’s “firm capacity” of 13,536 m³/day.

The water treatment plant upgrade construction commenced in August 2008 and on April 3, 2009 the plant was commissioned and operational. During the construction the project experienced unanticipated Works that lead to Council approving a contract value increase from \$4,380,000 to \$4,407,540. The Town did not receive a statutory release from Wellington Construction for this project.

The Town was recently contacted by Wellington Construction who stated that as a result of an external audit it was discovered that they were under paid for the construction project. In May the Town received a package documenting an outstanding amount of \$28,915.92.

Amount Approved by Payment Certificates:	\$4,407,538.98
5% GST:	\$ 220,376.95
Total to be Paid:	\$4,627,915.93
Less Payment by TOBM:	\$4,599,000.01
Total Amount Owing	\$ 28,915.92

Financial Services have reviewed the history of this project and concur that this amount is outstanding and duly owed to Wellington Construction.

Staff recommends that Council approves payment to Wellington Construction Ltd. in the amount of \$28,915.92. Staff will request a final release be signed by Wellington

Construction acknowledging receipt of payment that there are no other outstanding obligations.

C. The Blue Mountains' Strategic Plan

This report furthers the Town's Strategic Goal #2 "Addressing the Town's municipal infrastructure needs".

D. Environmental Impacts

None

E. Financial Impact

A portion of the capital project was paid for under Development Charges. The capital project is complete and Development Charge balances were reported on, and due to length of time Finance Services feels the appropriate manner to fund the \$28,915.92 payment to Wellington will be from the Blue Mountain Water Reserve Fund.

F. In Consultation With

Ruth Prince, Acting Director of Finance & IT

G. Attached

None

Respectfully submitted,

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