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Staff Report

Infrastructure & Public Works

Report To: Committee of The Whole
Meeting Date: October 23, 2017
Report Number: CSPW.17.103
Subject: Report on Tender Prices – 2017-33-T-IPW, UV Unit Replacement, Clean Water and Wastewater Fund Program
Prepared by: Allison Kershaw, Manager of Water and Wastewater Services

A. Recommendations

THAT Council receive Staff Report CSPW.17.103 entitled, “Report on Tender Prices – 2017-33-T-IPW UV Unit Replacement, Clean Water and Wastewater Fund”;

AND That Council approve an additional increase in the budget by \$100,000 from \$875,000 to \$975,000 for the UV Unit Replacements;

AND THAT Council approve funding the additional \$100,000 from the Wastewater Asset Replacement Reserve Fund.

B. Overview

This report provides follow up on the costing received for the recently tendered Ultra Violet Irradiation Unit Replacements.

Staff requests a \$100,000 increase to the Craigleith Wastewater Treatment Plant and Thornbury Wastewater Treatment Plant (WWTP) budget from \$875,000 to a total budget of \$975,000. This project has been granted funding from the CWWF in the amounts of \$217,500 from the Federal Government and \$108,750 from the Provincial Government.

C. Background

On September 21, 2017 Staff brought Staff Report CSPW.17.098, “Budget Increase Request for Clean Water and Wastewater Fund Projects” to Council with the recommendation to increase the project budget for UV Unit Replacements by \$440,000 from \$360,000 to \$875,000 based on the Engineer’s Cost Estimate.

Council directed Staff to report on the tender prices received for the project which closed on October 5, 2017. The Town received five (5) bids on this tender. The bid amounts ranged from \$922,700 to \$1,166,000. The lowest bid of \$922,700 is a compliant with the Town’s tendering process, however this bid is not within the increased budget allotment. In addition to the

tendered amount, this project also includes \$43,000 in engineering and \$9,300 in project management. The total funds required to move ahead with this project is therefore \$975,000. The current project budget is \$875,000 which results in a \$100,000 shortfall.

D. Analysis

The UV disinfection units at both the Craigleith and the Thornbury WWTP facilities provide a critical step in treating the Town's sewage. The Town is mandated to maintain the final effluent with an E.coli concentration below 100cfu/ml at all times, as per Ministry issued Environmental Compliance Approval. The UV disinfection units are used to meet this level of treatment.

Currently, the units at both the Thornbury and Craigleith WWTPs have reached the end of their useful lives and require replacement. If the Town decides not to proceed with this project the risk of either of these units failing is significant. The control panel for the Thornbury WWTP UV unit has been causing operational issues. For this unit, Operators are no longer able to get parts for the control panel that enables the UV modules to work.

Failing to properly disinfect the Town's sewage effluent before it enters the natural waterways can pose a risk to public health and the environment and carries implications of being non-compliant with the Town's Ministry issued Environmental Compliance Approvals.

The tender pricing is much higher than anticipated. The pricing however for all five (5) bids is within \$100,000 which gives some certainty that the received bids reflect the pricing within the current market.

In order to award the project to the lowest compliant bidder, Staff requests Council endorsement for an additional increase in the budget by \$100,000 from \$875,000 to \$975,000 for the UV Unit Replacements.

E. The Blue Mountains Strategic Plan

Goal #5: Ensure Our Infrastructure is Sustainable

F. Environmental Impacts

Replacing the UV disinfection units at both the Craigleith and Thornbury WWTPs will allow Staff maintain compliance with the Ministry issued Environment Compliance Approval in regards to E.coli, and prevent E.coli from entering local recreational waterways.

G. Financial Impact

This project has a significant portion paid for through grants from both the Federal and Provincial Governments through the Clean Water and Wastewater Fund (CWWF). Even with the increase in the budget, the Federal government portion will be \$217,500 or 22%, and the Provincial Government's portion will be \$108,750 or 11%, for a total of \$326,250 or 33% of grant funding.

Currently the Town has an opportunity to utilize the CWWF funding for these projects. If the funding was not available, these projects would still need to be completed in the next couple of years to protect Town infrastructure and ensure the Town is able to meet its compliance limits. Table 1 below highlights the budget breakdown and the proposed budget increase.

Table 1 – Budget Breakdown

Project	Thornbury and Craigeith UV Replacement
Engineering Costs	\$ 43,000
Project Management	\$ 9,300
Construction	\$922,700
Total Project Cost	\$975,000
Federal Grant	\$217,500
Provincial Grant	\$108,750
Town Portion	\$648,750

H. In consultation with

Maurice Dempster, Wastewater Supervisor

Sam Dinsmore, Deputy Treasurer/Manager of Accounting and Budgets

I. Attached

None.

Respectfully submitted,

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