

STAFF REPORT: ENGINEERING AND PUBLIC WORKS DEPARTMENT

REPORT TO: Infrastructure and Recreation
Committee

MEETING DATE: August 20th 2013

REPORT NO.: EPW.13.069

SUBJECT: Additional Funds for
Engineering Services for Hoover
Lane, Teskey Drive and Arlberg
Crescent Sanitary Servicing

PREPARED BY: John Caswell, Manager of Water
and Wastewater Operations

A. Recommendations

THAT Council receive Staff Report EPW.13.069 entitled “Additional Funds for Engineering Services for Hoover Lane, Teskey Drive and Arlberg Crescent Sanitary Servicing”;

AND THAT Council approve increasing the Capital Budget for Engineering Services for Hoover Lane and Teskey Drive Sanitary Servicing by \$28,816 and Arlberg Crescent Sanitary Servicing by \$13,000 for a total increase of \$41,816 from \$85,000 to \$126,816 (excluding HST) to be funded from special charges assessed to benefitting property owners.

B. Background

The Town’s Wastewater Capital Budget includes \$60,000 for engineering services for the provision of wastewater servicing to Hoover Lane and Teskey Drive in 2013 and 2014.

On April 9, 2013 Staff Report EPW.13.028 entitled “Arlberg Crescent Wastewater Servicing Extension – Project Consideration” was presented to Infrastructure and Recreation Committee and subsequently approved by Council on April 15, 2013. This report recommended the creation of a budget for engineering services for the provision of wastewater servicing to Arlberg Crescent in the amount of \$25,000 in 2013 and 2014. The report also recommended that Arlberg servicing be included in a Request For Proposal (RFP) for wastewater servicing for Hoover Lane and Teskey Drive.

On June 5, 2013 Town Staff issued a RFP for Engineering Services for Hoover Lane, Teskey Drive and Arlberg Crescent Sanitary Servicing. After the RFP closing date of July 27, 2013 Town Staff evaluated the proposals received and determined that the proposed Engineering Fees exceeded combined project budget of \$85,000 (\$45,000 in 2013 and \$40,000 in 2014) for Engineering Services.

All fee schedules received were higher than the combined budgeted amount for the project, therefore, Staff were not able to consider awarding the RFP to a consultant within the existing budget. The proposal submitted by C.C Tatham and Associates received the highest combined score for the technical and fee submissions. The fee submitted by CC Tatham & Associates, was \$126,816 which is \$41,816 more than the allotted combined budget for these services. All costs are exclusive of HST.

The budget for Arlberg Crescent servicing is approximately 30% (\$25,000) of the total proposed engineering services budget (\$10,000 in 2013 and \$15,000 in 2014).

PROJECT	BUDGETS		INCREASE REQUIRED	REVISED BUDGETS	
	2013	2014		2013	2014
Hoover / Teskey	\$30,000	\$30,000	\$28,816	\$44,408	\$44,408
	\$60,000			\$88,816	
Arlberg	\$10,000	\$15,000	\$13,000	\$15,200	\$22,800
	\$25,000			\$38,000	
PROJECT TOTALS	2013	2014	\$41,816	2013	2014
	\$40,000	\$45,000		\$59,608	\$67,208
	\$85,000			\$126,816	

Subject to receiving no submissions that were within the budget, Council has the following options with regards to proceeding with this proposal;

1. Not proceeding with the project
2. Negotiating a reduced scope of work for the project
3. Increasing the existing combined budget to cover the proposed fees

Staff feel that not proceeding with the project is not a viable option, as sanitary servicing will provide the residents on Hoover Lane, Teskey Drive and Arlberg Crescent with much needed wastewater servicing. Staff feel that the current scope of work is appropriate for this project and a reduction would create additional uncertainty during the tendering for construction.

Therefore, Staff recommends that Council approve increasing the 2013 & 2014 Capital Budget for Engineering Services for Hoover Lane and Teskey Drive servicing by \$28,816 from \$60,000 to \$88,816 and increasing the Capital Budget for Arlberg Crescent servicing by \$13,000 from \$25,000 to \$38,000 (excluding HST). These two increases would amount to \$126,816.

C. The Blue Mountains' Strategic Plan

Providing the properties on Hoover Lane, Teskey Drive and Arlberg Crescent with sanitary services furthers the Town's Strategic Plan Goal #2 - *Addressing the Town's Municipal Infrastructure needs.*

D. Environmental Impacts

Measures will be taken to mitigate any runoff from construction activities in the area of the creeks. The conversion to Municipal wastewater services will enhance the environment by requiring the decommissioning of septic tanks.

E. Financial Impact

Both the Hoover Lane, Teskey Drive and Arlberg Crescent budgets are to be financed by the Town with full recovery from benefitting property owners imposed under Section 581.06 of the Municipal Act. The recommended increase in the Hoover Lane and Teskey Drive project of \$28,816 and the Arlberg Crescent project of \$13,000 will be added to the amount due from benefitting property owners. As illustrated in the chart below, the estimated amount due for construction costs from Hoover Lane and Teskey Drive benefitting owners totals \$529,166 and Arlberg Crescent benefitting owners totals \$213,000.

Construction Cost per Benefitting Property Owner

Hoover Lane/Teskey Drive -56 Benefitting Units						
	2013 Budget	2014 Proposed Budget	Total Budget	Additional Funds Required	Estimate - Due from Owners	Estimate - Unit Cost
Engineering	\$ 30,000	\$ 30,000	\$ 60,000	\$ 28,816	\$ 88,816	\$ 1,586
Construction (estimate)		\$ 440,350	\$ 440,350	\$ -	\$ 440,350	\$ 7,863
Total	\$ 30,000	\$ 470,350	\$ 500,350	\$ 28,816	\$ 529,166	\$ 9,449

Arlberg Crescent - 18 Benefitting Units						
	2013 Budget	2014 Proposed Budget	Total Budget	Additional Funds Required	Estimate - Due from Owners	Estimate - Unit Cost
Engineering	\$ 15,000	\$ 10,000	\$ 25,000	\$ 13,000	\$ 38,000	\$ 2,111
Construction (estimate)		\$ 175,000	\$ 175,000	\$ -	\$ 175,000	\$ 9,722
Total Construction Costs	\$ 15,000	\$ 185,000	\$ 200,000	\$ 13,000	\$ 213,000	\$ 11,833

In addition to engineering and construction costs, benefitting property owners will also be responsible for the payment of capital plant charges, sewer and private costs such as septic decommission and grinder pumps. Total unit costs (excluding private costs) are estimated at:

Total Unit Cost per Benefitting Property Owner

	Hoover Lane/ Teskey Drive	Arlberg Crescent
Construction Costs	\$ 9,449	\$ 11,833
Capital Sewer Charge	\$ 6,546	
Capital Plant Charge*	\$ 5,310	\$ 2,564
Total Costs - Benefitting Owner	\$ 21,305	\$ 14,397
Estimated Annual Costs ** (Based on financing over 15 years at 3.63% interest)	\$ 1,900	\$ 1,300

* Subject to annual indexing

**Estimated annual costs excludes private cost for septic decommission and grinder

As engineering costs are an indication of construction costs (engineering costs typically range from 20-30% of construction costs), the required increased in the engineering budget may be an indication of higher than estimated construction costs upon award of the contract in 2014. While construction costs will not be known until 2014 upon award of the contract, a potential increase will be communicated through the public notice process to benefitting property owners upon completion of initial engineering work.

F. In Consultation With

Renee Ouellette, Financial Accountant

G. Attached

None

Respectfully submitted,

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