



## Council Report

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**Report Number:** PUR2023-017  
**Meeting Date:** April 18, 2023  
**Title:** Pinewood Water Treatment Plant Upgrades  
**Author and Title:** Linda Lee, Buyer  
Nafiur Rahman, Supervisor, Environmental Capital Project Management,

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### Recommendation(s):

**That** Report PUR2023-017, Pinewood Water Treatment Plant Upgrades, be received;

**That** Ontario Clean Water Agency (OCWA) be awarded the Pinewood Water Treatment Plant (WTP) Upgrades for the amount of \$279,417;

**That** Council authorize the additional project funding in the amount of \$150,346 to come from the Sewer Infrastructure Renewal Reserve (1.32030);

**That** subject to receipt of the required documents, the Mayor and Clerk be authorized to execute the agreement to award the contract; and

**That** the Department be authorized to issue a purchase order.

**Department Head:** \_\_\_\_\_

**Financial/Legal/HR/Other:** \_\_\_\_\_

**Chief Administrative Officer:** \_\_\_\_\_

**Background:**

Ontario Clean Water Agency (OCWA) is the operating authority for the Pinewood Water Treatment Plant (WTP) and they maintain the overall responsibility for operations within the plant. OCWA conducted a formal procurement process for the Pinewood WTP Upgrades. The major scope of works includes the replacement of process piping and associated equipment, installation of a pressure tank and an upgrade to the electrical interlocks at the Pinewood WTP. They released the Request for Bid (RFB) on Jaggaer Ontario Tenders Portal on February 13, 2023.

The document closed on March 10, 2023. Bids were opened by OCWA with the following results:

<b>Company Name</b>	<b>Amount Submitted</b>
BGL Contractors Corp.	\$189,600
Xterra Construction Inc.	\$262,332
Strong Bros General Contracting Ltd.	\$747,600

The following was submitted by OCWA as the Total Estimated Construction Budget for the Project.

	<b>Estimated Budget</b>
BGL Construction Cost (Total Bid Cost)	<b>\$176,000</b>
Provisional Item (High Lift Suction Header Replacement)	<b>\$13,600</b>
<b>Sub-total Construction Cost</b>	<b>\$189,600</b>
OCWA Admin Fee (10% on first \$30,000 & 5% after on Construction Cost) (10% of \$30,000=\$3,000 + 5% of \$159,600=\$7,980)	<b>\$10,980</b>
Potable Water Hauling to Pinewood WTP During Shutdown (Assume 7 Days at \$6,000/Day)	<b>\$42,000</b>
Additional OCWA Operations Cost to Facilitate Project (Assume 7 Days at \$500/Day)	<b>\$3,500</b>
Contingency	<b>\$30,000</b>
1.76% on BGL Construction cost	<b>\$3,336.96</b>
<b>Estimated Total Budget</b>	<b>\$279,416.96</b>

**Rationale:**

OCWA recommends that the City award the contract to BGL Contractors Corp. as the lowest, compliant bidder. However, there is a budget deficit to award the contract and complete the construction work. The supply-chain and labour market are still constrained which may have contributed to higher prices. Additionally, as part of the commissioning of the works (removal, tie-in and wait time for water quality sample results, etc.), the WTP is required to be offline and additional water hauling will be required to maintain the water service to the community. The need and cost for bulk water hauling was not originally identified as a requirement of this project and thus further increases the total cost of construction.

For overall cost savings, the two (2) projects (High-lift Header and Well #5 process piping replacements) were combined, which will save the City any additional construction and bulk water hauling costs.

**Other Alternatives Considered:**

No other alternative is being considered as a competitive process was conducted and the lowest, compliant bidder is being recommended.

**Alignment to Strategic Priorities**

The recommendation in the report contributes to Council’s adopted strategic plan namely:

1. Healthy Environment
2. An Exceptional Quality of Life
3. Good Government

**Financial/Operation Impacts:**

Funds for the Pinewood Water Treatment Plant Upgrades were included in the 2020 and 2023 Capital budgets.

Project Number	Project Budget	Other Committed Funds *see below	Project Balance	Purchase Amount (excl. HST)	Contingency	HST Payable	Total Amount	Project Balance
998230113	\$100,000	\$5,000*	\$95,000	\$215,346	\$30,000	\$0	\$245,346	(\$150,346)
998200101	\$38,000	\$3,929	\$34,071	\$34,071	\$0	\$0	\$34,071	\$0

<b>Totals</b>	<b>\$138,000</b>	<b>\$8,929</b>	<b>\$129,071</b>	<b>\$249,417</b>	<b>\$30,000</b>	<b>\$0</b>	<b>\$279,417</b>	<b>(\$150,346)</b>
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\*Other committed fund includes a forecasted amount of \$5,000 of staff time which will also be incurred throughout the completion of this project.

Staff are requesting that Council approve the funding of the project deficit of \$150,346 from the Sewer Infrastructure Renewal Reserve (1.32030).

Any surplus or deficit will be dealt with by the Treasury Department according to the Capital Close policy.

**Consultations:**

Executive Assistant for Corporate Assets and Engineering  
Junior Accountant

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**Department Head: Juan Rojas**

**Department File: Engineering**