



Council Report

Report Number: PUR2023-032
Meeting Date: August 29, 2023
Title: 2023-79-CQ Bobcaygeon Gravity Sewer Mains Rehabilitation
Author and Title: Linda Lee, Buyer
Tauhid Khan, Asset Management Coordinator

Recommendation(s):

That Report PUR2023-032, 2023-79-CQ Bobcaygeon Gravity Sewer Mains Rehabilitation, be received;

That Sewer Technologies Inc. be awarded Request for Quotation 2023-79-CQ Bobcaygeon Gravity Sewer Mains Rehabilitation for the amount of \$582,030.00 not including HST;

That the remaining additional financing required for capital project 998220501 (Bobcaygeon Gravity Sewer Mains) of \$611,864.00 be funded from the Sewage Reserve;

That capital project 998220501 (Bobcaygeon Gravity Sewer Mains) be included in the next Development Charges Background Study as committed excess capacity to the extent appropriate;

That subject to receipt of the required documents, the Director of Engineering and Corporate Assets be authorized to execute the agreement, and

That the Engineering and Corporate Assets Department be authorized to issue a purchase order.

Department Head: _____

Financial/Legal/HR/Other: _____

Chief Administrative Officer: _____

Background:

At the Council Meeting of April 19, 2022, Council adopted the following resolution:

CR2022-135

That Report CA2022-003, **Workplan for Improving Wastewater and Stormwater Discharges in Lake Ontario Program**, be received;

That the Workplan outlined in Table 1 of Report CA2022-003 be approved for the purposes of the Improving Wastewater and Stormwater Discharges in Lake Ontario program;

That the projects comprising the Workplan be added to the applicable 2022 capital budgets and each designated a completion date of June 30, 2024; and

That staff be authorized to adjust financing of the Workplan as needed to exhaust funding from the program and maximize the extent of the Rehabilitation of Various Bobcaygeon Gravity Sewer Mains project subject to meeting the objectives of the other projects in the Workplan.

Carried

Request for Quotation 2023-79-CQ Bobcaygeon Gravity Sewer Mains Rehabilitation was issued in accordance with the Procurement Policy. The quotation was opened electronically on August 3, 2023 with the following results:

Company Name	Price
Sewer Technologies Inc.	\$582,030.00

Rationale:

Staff recommends that the City award 2023-79-CQ (Bobcaygeon Gravity Sewer Mains Rehabilitation) to Sewer Technologies Inc. for the amount of \$582,030.00, not including HST.

Due to watery and rocky ground conditions, Bobcaygeon's sewage collection system is afflicted by extensive inflow and infiltration which result in sewer main overload and excessive volumes of stormwater being circulated and processed within the wastewater system. The Bobcaygeon Gravity Sewer Mains project focuses on rehabilitative interventions, such as stormwater disconnection, joint repairs and pipe relining, aimed at reducing inflow and infiltration. Such interventions will mitigate sewer surcharging as

well as over-processing at pumping stations and the wastewater treatment plant. They will also reduce wastewater operating costs, improve wastewater effluent and potentially create excess capacity which would otherwise remain unavailable to growth and development in Bobcaygeon.

The Bobcaygeon Gravity Sewer Mains project is one of three projects comprising the capital program supported by the Improving Wastewater and Stormwater Discharges in Lake Ontario Program (i.e. Watershed Grant). The other two projects are the Wilson Fields Stormwater Pond and the Lindsay Landfill Compost Pond Valve Chamber, the former of which incurred a deficit of approximately \$134,000 due to unexpected needs which arose after project approval (e.g. invasive plant removal, soil regulation changes etc.).

Following Council Resolution CR2022-135, and the advanced completion of these two projects, approximately \$69,000 is remaining in the capital program for the Bobcaygeon Gravity Sewer Mains project. However, approximately \$681,000 of sewer main rehabilitation is required, generating a funding requirement of approximately \$612,000. Since sewers are located underground, the scope and extent of the rehabilitation needs could not have been known in advance; they were revealed upon video recording of the sewer mains and analyzed earlier in 2023.

The three capital projects must be substantially completed by March 31, 2024 to remain eligible for the Watershed Grant. It makes engineering and financial sense to complete all Bobcaygeon gravity sewer main rehabilitation within a single project, and utilize the Sewage Reserve to complete this work. Staff recommends that the budget for the Bobcaygeon Gravity Sewer Mains project be increased by about \$612,000 funded by the Sewage Reserve. This approach enables the City to exhaust its fixed funding allocation under the Watershed Grant while ensuring the grant-supported capital work is completed in a timely and efficient manner.

Given the considerable inflow and infiltration afflicting gravity sewers in Bobcaygeon, the proposed rehabilitation of those sewers may defer, reduce or obviate the need for various growth-related capital works (e.g. sewer upsizing, sewage pumping station upgrades, wastewater treatment plant expansion etc.). Accordingly, staff is further recommending that the Bobcaygeon Gravity Sewer Mains project be designated as committed excess capacity for the purposes of the Development Charges Act.

This designation will enable the City to retroactively apply development charges funding to the project should the next Development Charges Background Study deem

appropriate. Council should consider that, under the Development Charges Act, committed excess capacity designations by Council are valid only if made at or prior to the time the subject excess capacity is created, hence the timing of staff's recommendation.

Other Alternatives Considered:

No other alternative is being recommended as a competitive procurement process was issued 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. A Vibrant and Growing Economy
4. Good Government

Financial/Operation Impacts:

Financing for 2023-79-CQ Bobcaygeon Gravity Sewer Mains Rehabilitation was included in the 2023 Capital Budget.

Project Number	Project Budget	Other Committed Funds *see below	Project Balance	Purchase Amount (excl. HST)	15% Contingency	HST Payable	Project Balance
998220501	\$260,000	\$79,824	\$180,176	\$582,030	\$87,305	\$11,781	(\$500,940)
997220301	\$70,000	\$47,369	\$22,631	\$0	\$0	\$0	\$22,631
983221101	\$250,000	\$383,555	(\$133,555)	\$0	\$0	\$0	(\$133,555)
Totals	\$580,000	\$510,748	\$69,252	\$582,030	\$87,305	\$11,781	(\$611,864)

*Other committed funds include completed Watershed Grant projects for Wilson Fields Stormwater Pond and Lindsay Landfill Compost Pond Valve Chamber, and the contract administration and inspection for the Bobcaygeon Gravity Sewer Mains.

Watershed Grant parameters and Council Resolution CR2022-135 authorize staff to pool the grant funding across the three projects in order to exhaust that funding in the manner most advantageous to the City. For reasons outlined above, staff recommend that the deficit in the Bobcaygeon Gravity Sewer Mains project be funded by the Sewage Reserve in the amount of \$611,864.00. Any remaining surplus or deficit will be addressed by Treasury Division according to the Capital Close Policy.

Consultations:

Manager of Corporate Assets

Executive Assistant – Engineering and Corporate Assets

Junior Accountant

Department Head email: jrojas@kawarthalakes.ca

Department Head: Juan Rojas, Director of Engineering and Corporate Assets

Department File: 2023-79-CQ