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Date: August 15, 2017
To: Mayor and Council
Author: G.A. Plancke / Director of Municipal Services
RE: Clean Water and Wastewater Funding (CWWF) Project Approval
Report No.: MS 2017- 38

AIM

To provide Council with an update regarding the approval of CWWF projects, and to advise budget implications as a result of the successful award of funding.

To authorize administration to complete and submit the required forms through the Ministry of Infrastructure (including preparation any applicable By-laws)

To recommend that The Ontario Clean Water Agency (OCWA) be retained as Project Manager (PM) to oversee the implementation of the CWWF approved projects.

BACKGROUND

The 2017 Capital budget included a number of proposed projects submitted by OCWA for replacement, and or upgrade at the Town's three (3) wastewater treatment facilities.

Concurrently the announcement of the CWWF program administered by the Ministry of Infrastructure identified potential applicability of many of the listed 2017 and beyond Capital projects within that initiative. OCWA was contacted to prepare the application for CWWF and was submitted by Municipal Services.

The Town received notification that it was successful for a number of projects applied for under CWWF for a total net eligible cost of \$1,261,023 which represents approximately 75% funding for these projects. Although not successful for the entire list of submitted projects, the approved projects include equipment and system replacement upgrades for:

The Lakeshore West Pollution Control Plant

- Replacement of Ultra Violet system - \$240,000.00
- Replacement of the transfer switch of the main Motor Control Centre (MCC) - \$150,000.00
- Replacement of raw inlet grit pumps, grit blowers and primary sludge pumps - \$161,022.00
- Raw inlet bar screen upgrade - \$390,000.00

- Plant facility roof replacement - \$100,001.00
- Supervisory Control and Data Acquisition (SCADA) replacement - \$150,000.00

Kingsville Pump Station # 2

- Sewage pumps replacement - \$120,000.00
- Main pumping station diesel generator replacement - \$85,000.00

Cottam Pump Station # 1

- Sewage pumps replacement - \$100,000.00

DISCUSSION

The successful award of CWWF for these projects represents a considerable amount of logistics to implement the engineering, specifications, tendering, installation, and project management in order to meet the March 2018 deadline of spending 60% of the approved funding. As such, OCWA was requested to provide a proposal for the Engineering, Procurement, and Construction of the CWWF funded projects. OCWA was sole sourced for this project due to their familiarization with the facilities, and their due to their initial assistance in making application for CWWF making them uniquely qualified for the assignment. The OCWA proposal dated August 15th, outlines Project Understanding, Scope & Methodology, Project Team, Schedule, and Budget.

The overall submitted budget for their work plan, is estimated at \$196,000 + HST burden which represents an overall engineering of 15.5% which is in line with historical industry costs for a similar scope of work.

The 2017 approved Budget included a total of \$313,000 worth of Capital items included with the five (5) year recommended Capital /Major Maintenance.

Several of these were multiple year projects, wherein the total cost of the project was spread over the five (5) year submission period or beyond and a few were not to be budgeted for a number of years.

With the successful award of CWWF for a number of listed projects, the Town will realize a 75% savings over the next five years due to the fact that these multi-year projects will be completed and funded under the CWWF program.

LINK TO STRATEGIC PLAN

Effectively manage corporate resources and maximize performance in day-to-day operations.

FINANCIAL CONSIDERATIONS

Direct impact to the 2017 wastewater budgets for approved CWWF projects will result in a 75% savings of an allocated \$103,000 specific to the listed projects, with the remainder of the savings flowing through over the next five (5) years and beyond.

The external Project Management of this project was not budgeted for in 2017, however the projected 75% savings as a result of the CWWF program will more than cover the expense of third party project management.

CONSULTATIONS

Ontario Clean Water Agency
Municipal Services internal review

RECOMMENDATION

To authorize administration to complete and submit the required CWWF forms through the Ministry of Infrastructure as applicable and to,
Approve the OCWA Proposal for the Engineering, Procurement and Construction of the CWWF Funded Projects dated August 15, 2017 and authorize Administration to enter into an agreement with OCWA for these services.

Respectfully submitted by

G.A. Plancke

G.A. Plancke
Director of Municipal Services

Peggy Van Mierlo-West

Peggy Van Mierlo-West, C.E.T.
Chief Administrative Officer