

DATE OF MEETING January 14, 2019

AUTHORED BY MIKE STRAIN, SENIOR PROJECT MANAGER

SUBJECT SEVENTH STREET PUMP STATION AND FORCE MAIN PROJECT

## **OVERVIEW**

### **Purpose of Report**

To seek approval to increase the budget for the Seventh Street Pump Station and Force Main project by \$600,000.

### **Recommendation**

That Council direct Staff to increase the budget for DCC SS45 Chase River Pump Station and Force main by \$350,000 and increase the budget for Seventh Street Watermain: Park to Douglas by \$250,000.

## **BACKGROUND**

Constructed in 1960, the Chase River Trunk Sewer is 3400 metres in length; it starts at Seventh Street and Stirling Avenue and runs to the Regional District of Nanaimo Chase River Pump Station near the corner of Highway 1 and Haliburton Street. In 2014, the Chase River Sanitary Sewer Master Plan was completed, this study found nearly 2400 metres (about 70%) of the sewer is operating at capacity and in some sections there is a risk of the sewer surcharging and overflowing during a wet weather event.

Conventional replacement of the sewer would be challenging as there are some sections of the sewer which are between 7 to 10 metres deep, and some of those deep sections are under residential neighbourhoods or environmentally sensitive areas.

An extensive options analysis was completed to determine the best approach to address the capacity issues. Constructing a pump station which diverts the flow from the Chase River Trunk Sewer was found to be the option which is the most cost effective, the least disruptive to the existing neighbourhoods and has the lowest potential environmental impact.

Construction of the new sanitary sewer pump station and force main is planned to begin in the first quarter of 2019 and be completed by the end of 2019. The new pump station will be installed at the intersection of Park Avenue and Seventh Street, and will divert flow from the Chase River Trunk Sewer through a new force main between the new pump station and the Regional District of Nanaimo's Trunk Sewer at the corner of Woodhouse Road and Eaton Street. Additional work includes the replacement of watermain in the project area.

## **DISCUSSION**

In December 2018, updated project cost information was received:

- The project was tendered, closing on December 13<sup>th</sup>, 2018. Five bids were submitted and the lowest bidder was Milestone Equipment Contracting Inc. at \$5,315,266.50, plus GST.
- A quote of \$460,229 was also received for Consultant Construction Services including Project Management, Contract Administration, Engineering support, Commissioning and Inspection.

With the above information, the project cost projection was updated and the expected cost to complete the project is \$6,753,383. The current available budget is \$6,152,937; therefore, an additional \$600,000 will be required to complete the project.

The project was reviewed to determine if reducing or removing scope would lower the additional funds required. The nature of the infrastructure in this project is basic and required for the functionality of the sewer system. Significant reductions in scope cannot be achieved without seriously compromising the system.

The additional funding for the project will be \$250,000 from the Water Asset Management Reserve, and \$350,000 of internal borrowing from the Drainage DCC Reserve to be repaid from sewer operations.

## **OPTIONS**

1. Option 1 – Council direct Staff to increase the budget for DCC SS45 Chase River Pump Station and Force Main by \$350,000 and increase the budget for Seventh Street Watermain: Park to Douglas by \$250,000.

- **Budget Implication:** The final 2019-2023 Financial Plan will be amended to increase project budgets with funding to be from:
  - i. \$350,000 of internal borrowing from the Drainage DCC Reserve with repayment from sewer operations
  - ii. \$250,000 of funding from Water Asset Management Reserve

As per best practices, an internal borrowing resolution for Council approval will be brought forward with the final 2019 – 2013 Financial Plan.

- **Other Implications:**
  - i. The Pump Station is required to divert flows away from the existing Chase River Trunk Sewer Main to relieve capacity and allow for further development in the catchment area.
  - ii. The project tender closed on December 13<sup>th</sup>, 2018, and the tender award must occur within 90 days of the project closing, or the low bidder may withdraw their bid.

2. Option 2 – That Council direct Staff to cancel the tender and defer the project.

- **Budget Implication:** By deferring the project, current competitive bid pricing would be lost. It is likely that a future tender would be a higher cost.

- **Other Implications:** Given that the existing Chase River Trunk Sewer Main is operating at capacity, deferring the project may require limitation of development or growth in the catchment, until the project is completed. |

#### **SUMMARY POINTS**

- | An additional \$600,000 is required to complete the Seventh Street Pump Station and Force Main project. The Drainage DCC Reserve will provide \$350,000 and \$250,000 will come from the Water Assessment Management Reserve.
- The Final 2019-2023 Financial Plan will be amended for this change.
- Construction of the Seventh Street Pump Station and Force Main is planned to begin in the first quarter of 2019. |

#### **Submitted by:**

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