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**REPORT TO HIGHLAND WATER AND SEWER LOCAL SERVICES COMMITTEE
AND FERNWOOD WATER LOCAL SERVICE COMMITTEE
MEETING OF THURSDAY 13 APRIL 2010**

**SUBJECT HIGHLAND AND FERNWOOD WATER SYSTEMS – CONTRACT FOR CONSULTANT
ENGINEERING SERVICES**

PURPOSE

To seek approval for the extension of engineering consultant services for the installation of a water treatment facility at St. Mary Lake, Salt Spring Island.

BACKGROUND

The Highland water service applied for and was awarded a Province of BC infrastructure grant in 2006 for the construction of a water treatment facility and associated works, including an underwater pipeline to interconnect the Highland and Fernwood water systems. The grant was for two-thirds of a project. In March 2009, both the Highland and Fernwood water service area residents and electors voted to borrow monies to cover the cost of the initial project, as well as other works. The total budget for the approved project is \$1,918,900, of which the Highland and Fernwood water services will contribute \$739,880 and \$221,420 respectively, with the Province providing the balance of \$957,600 as an infrastructure grant.

The main component of the project is to upgrade the water treatment facilities to meet the current water quality guidelines and to include sufficient capacity to accommodate the proposed interconnection of the Highland and Fernwood water systems. Genivar, engineering consultants, engaged for the design of the Dissolved Air Flotation (DAF) treatment plant and underwater interconnect water main have been requested to provide a cost to inspect the work and administer the contract regarding the construction of the new Corix DAF plant. All costs associated with contracted services are fully recoverable under the grant, and as designers, Genivar is best suited to oversee the construction of the DAF plant as performed by a contractor. The contract is not to exceed \$85,000 and is a time and expenses agreement, standard for consultant services.

The scope of services to be provided by Genivar include:

- Site inspection, contract administration, quantity and quality assurance.
- Design changes where necessary.
- Production of monthly payment draws for the Owner's consideration and authorization.
- Production of detailed as-built drawings.

ALTERNATIVES

1. That the Highland Water and Sewer Local Services Committee and the Fernwood Water Local Service Committee approve the award of contract to Genivar for engineering consulting services in the amount not to exceed \$85,000; and that funding be provided from the capital project budget for the Highland Fernwood water project.
2. That the Highland Water and Sewer Local Services Committee and the Fernwood Water Local Service Committee receive this report for information.

IMPLICATIONS

Genivar's price of \$85,000 is within the original available budget of \$1,275,900 for this portion of the project. When costs of Dissolved Air Flotation (DAF) equipment purchase and installation, engineering, contingency and regulatory approvals are taken into consideration, it is estimated that the overall cost of the water treatment facility will be approximately \$1,440,500, requiring an increase of \$164,600. In order to provide this increase in the plant construction, staff will recommend that the Highland/Fernwood meter replacement component of the distribution system works be eliminated and a portion of the budget for distribution upgrades be reassigned to the treatment plant project. The cost share formula for plant construction between the two services is based on ratio of total folios with Highland funding 76.5% and Fernwood 23.5%. The budget shortfall for the water treatment plant construction would be recovered proportionately from both services. A detailed financial update is included in a separate staff report presented at the 13 April 2010 meeting entitled "Installation of Water Treatment Facility – Award of Contract 09-1645".

SUMMARY

Genivar was originally retained as consultant engineer for the underwater interconnect water main and Highland DAF plant design work, supply and installation. To date, Genivar has been the engineer on record on other CRD DAF projects, including Beddis, Fulford and Lyall Harbour/Boot Cove local services. As designers well acquainted with the project and plant site restrictions, Genivar is well suited to conduct the necessary field inspection and contract administration. CRD staff will remain ultimately responsible for the overall project, budget and schedule. Genivar, formerly Bullock Baur Engineering, is well known to staff and provides a high level of comfort in their known ability to effectively perform the works.

RECOMMENDATION

That the Highland Water and Sewer Local Services Committee and the Fernwood Water Local Service Committee approve the award of contract to Genivar for engineering consulting services in the amount not to exceed \$85,000; and that funding be provided from the capital project budget for the Highland Fernwood water project.



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Engineering Technician



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Concurrence

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