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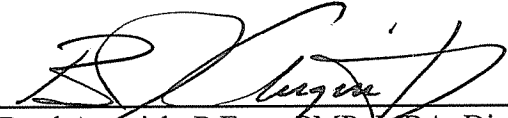
PO Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Halifax Regional Council
August 9, 2005

TO: Mayor Kelly and Members of Halifax Regional Council

SUBMITTED BY:


George McLellan, Chief Administrative Officer


Brad Anguish, P.Eng., PMP, MBA, Director
Environmental Management Services

DATE: July 27, 2005

SUBJECT: **Award of Unit Price Tender No. 05-351, Ellenvale Sewershed Manhole Rehabilitation Program - East Region**

ORIGIN

The approved 2005/06 Capital Budget.

RECOMMENDATION

It is recommended that Council:

1. approve an increase to the Gross Budget for Capital Account No. CSR00503, Infiltration/Inflow Reduction, in the amount of \$772,511 with no change to the net budget, to reflect the incremental funding from the Canada Strategic Infrastructure Fund (CSIF).
2. award Tender No. 05-351, Ellenvale Sewershed Manhole Rehabilitation Program - East Region to Amber Contracting Limited for materials and services listed at the unit prices quoted for a Tender Price of \$702,283 including net HST from Capital Account No. CSR00503, Infiltration/Inflow Reduction, with funding authorized as per the Budget Implications section of this report.

3. approve the amount of \$70,228 including net HST for testing of materials and unforeseen works from Capital Account No. CSR00503, Infiltration/Inflow Reduction, as per the Budget Implications section of this report.

BACKGROUND

An environmental approval for the Anderson Street Pumping Station replacement project was received in May, 2003. The Nova Scotia Department of Environment and Labour's approval included a number of conditions related to controlling wet weather overflows that required HRM do the following:

- Complete a wastewater management plan for the Ellenvale/Anderson Street sewershed
- Commit to implement agreed upon options and recommendations within three years of the wastewater management plan completion
- Conduct a limited sampling program characterizing wet weather overflows at the Ellenvale Holding Tank
- Implement an ongoing monitoring program of overflow times and quantities

The wastewater management plan has been completed. It identified infiltration/inflow reduction as the most effective strategy to reduce the number and quantity of overflows at Ellenvale Holding Tank. The plan recommended that faulty manhole covers be replaced and manhole interiors be repaired. Therefore, a tender to complete the recommended work was prepared.

DISCUSSION

Tenders were called on June 4, 2005, and closed on June 17, 2005. The tender included two options for the manhole rehabilitation work. Each option generally included the same work with the exception that the first option only repaired the chimney section versus replacing the chimney section in the second option. The option involving chimney replacement provides a lower life cycle cost, therefore, staff is recommending this option. The following bids, exclusive of taxes were received:

	<u>Bid Price</u>
1. Amber Contracting Limited	\$679,000.00
2. Wilcraft Concrete Services Limited	\$905,680.00

**Award of Unit Price Tender No. 05-351,
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The scope of work for this tender generally consists of the replacement of approximately 265 manhole covers, frames and chimneys within the Ellenvale sewershed. In addition, the work will also include the repair of approximately 122 interior manhole sections.

It is anticipated that work will commence within two weeks of the tender award.

This is a **UNIT PRICE** contract, and the cost will be dependent upon the actual quantities approved by the HRM Project Manager. There are no Local Improvement Charges associated with this work.

The lowest bid received from Amber Contracting Limited has met all the tendering requirements, and therefore staff recommends the award of Tender No. 05-351, Ellenvale Sewershed Manhole Rehabilitation Program - East Region to Amber Contracting Limited.

Once the manhole rehabilitation work is complete, additional flow monitoring will be conducted to measure the effectiveness of the program. If unsuccessful in reducing overflows, additional work will be required and may involve:

- Infiltration/inflow reduction on private property
- Additional wet weather flow storage
- Disinfection of overflows

BUDGET IMPLICATIONS

Based on the lowest tendered price of \$679,000 plus net HST and additional costs of \$70,228 including net HST, the total project cost is \$772,511 with funding available in the Approved 2005/06 Capital Budget from Account No. CSR00503, Infiltration/Inflow Reduction. The budget availability has been confirmed by Financial Services.

Budget Summary: Account No. CSR00503, Infiltration/Inflow Reduction

Cumulative Unspent Budget	\$232,830
Plus: CSIF Funding	\$772,511
Less: Tender 05-351	\$702,283
Less: Tender Unforeseen Costs	<u>\$ 70,228</u>
Balance of Account	\$232,830

The balance of the account will be used for additional infiltration/inflow reduction work in other areas.

It should be noted that much of the work included in this project is proposed to be funded from CSIF. A copy of the March 15, 2004 letter from the Mayor to the Minister of State Responsible for Infrastructure Canada, regarding this program, is included for reference as Attachment 1 to this report. It is anticipated that this project will be funded from the item entitled "Pumping Stations Upgrades/Wet Weather Flow Solutions".

FINANCIAL MANAGEMENT POLICIES / BUSINESS PLAN

This report complies with the Municipality's Multi-Year Financial Strategy, the approved Operating, Capital and Reserve budgets, policies and procedures regarding withdrawals from the utilization of Capital and Operating reserves, as well as any relevant legislation. If approved, this will increase the 2005/06 Capital Budget.

ALTERNATIVES

The Ellenvale Wastewater Management Plan identifies infiltration/inflow reduction as the most effective strategy to reduce wet weather overflows. Therefore, there are no recommended alternatives. This work is a requirement of the environmental approval for the Anderson Street Pumping Station issued by the Provincial Department of Environment and Labour. As such, it is considered to be a priority project as defined in the Stormwater and Wastewater Priority Rating Process approved by Council in February, 2005. If the project does not proceed, HRM will be in violation of the environmental approval.

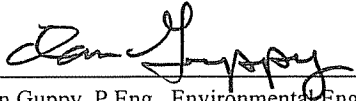
ATTACHMENTS

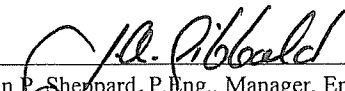
1. March 15, 2004 letter from the Mayor to the Minister of State Responsible for Infrastructure Canada.

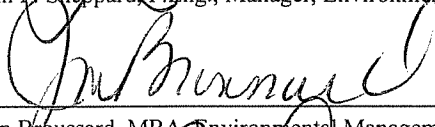
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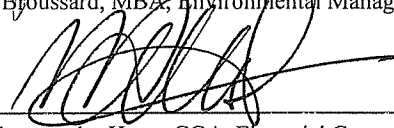
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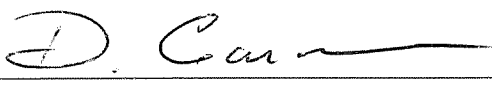
A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.html> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 490-4210, or Fax 490-4208.

Report Prepared by: 
Ian Guppy, P.Eng., Environmental Engineering Services, 490-5212

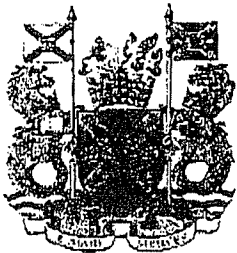
Report Approved by: *for* 
John P. Sheppard, P.Eng., Manager, Environmental Engineering Services, 490-6958

Financial Review: 
Joan Broussard, MBA, Environmental Management Services, 490-6267

Financial Review: 
Marlies van der Horst, CGA, Financial Consultant, 490-4446

Procurement Process Review: 
Dale Carmen, Procurement Coordinator, 490-6476

Halifax Regional Municipality



Peter J. Kelly

Mayor

1941 Argyle Street
PO Box 1749
Halifax, Nova Scotia
Canada B3J 3A5

Tel: (902) 490-4010
Fax: (902) 490-4012
Email: kellyp@region.halifax.ns.ca

www.region.halifax.ns.ca
www.halifax.ca



March 15, 2004

The Honourable Andy Scott
Minister of State responsible for Infrastructure Canada
Infrastructure Canada
90 Sparks Street, Suite 605
Ottawa, Ontario K1P 5B4

Dear Minister Scott:

Re: Halifax Harbour Solutions Project Incremental Funding

On Tuesday, March 10, 2004, Halifax Regional Council approved entering into an agreement for Phase 2 of the Harbour Solutions Project, with D&D Water Solutions Inc. to design, construct and commission the three sewage treatment plants. The approval is conditional on the Halifax Regional Municipality (HRM) receiving substantial incremental funding from the Federal government and receiving, from its insurance advisor, confirmation that the terms and conditions of the final insurance package are appropriate, given the nature of the project and current market conditions.

It is anticipated that the substantial incremental funding from the Federal government will comprise of an additional \$30 million contribution to the Halifax Harbour Solutions Project from the Strategic Infrastructure Fund. It is proposed that these funds be applied against the cost of the Dartmouth and Herring Cove Sewage Treatment Plants as detailed in Appendix A.

This additional contribution toward the Harbour Solutions Project will enable HRM to advance incremental and much needed wastewater projects (detailed in Appendix B) to further protect our watersheds and ultimately achieve the water quality objectives for Halifax Harbour. With the exception of the pumping station upgrades, the projects in Appendix B were envisioned in the original scope of the Harbour Solutions Project but could not proceed due to a lack of funding.

Appendix B provides the description of each of the HRM projects with their projected cash flow and timing. The

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combined sewer overflow prevention and pumping station upgrade projects will minimize the pollutants entering into our receiving water and, at the same time, convey, as much as possible, the pollutants to the sewage treatment plants. The diffusion ratio upgrades will enable the treatment plant effluent to be discharged in a manner that will significantly decrease the impact of effluent in the direct vicinity of the receiving water. Implementation of a biosolids dewatering facility will enable all HRM biosolids to be processed to a USEPA Class A standard and will enable the phase out of the biosolids lagoon, thus eliminating a huge volume of methane (>10,000,000 cu. ft) that is released to the atmosphere annually.

Implementation of these complementary projects will greatly enhance HRM's strategic efforts toward a "Healthy, Sustainable and Vibrant Community", and will specifically improve performance in preserving the environment and protecting public health. The additional Federal funding contribution to the Harbour Solutions Project will clearly enable the implementation of these important projects for HRM that could not have otherwise proceeded.

If you require any further information, please do not hesitate to contact me.

Respectfully, I remain

Peter J. Kelly
Mayor

/km
attach

cc George McLellan, CAO
✓ Dan English, DCAO
Brad Anguish, Director, Environmental Management Services
Ted Tam, Project Manager, Harbour
Members of Halifax Regional Council

Appendix A
 Strategic Infrastructure Fund Contribution Areas

Additional funding	Eligible costs	Federal Gov't Contribution	2004-05	2005-06	2006-07
Dartmouth Sewage Treatment Plant	\$45,481,000	\$20,000,000	\$1,750,000	\$18,250,000	
Herring Cove Sewage Treatment Plant	\$32,839,000	\$10,000,000		\$8,250,000	\$1,750,000
Total	\$78,320,000	\$30,000,000	\$1,750,000	\$26,500,000	\$1,750,000