

# STAFF REPORT

THE CORPORATION OF THE TOWN OF COBOURG



<b>Report to:</b>	Mayor and Council Members	<b>Priority:</b>	<input checked="" type="checkbox"/> High <input type="checkbox"/> Low
<b>Submitted by:</b>	Bill Peeples, Manager Environmental Services, Public Works Division <a href="mailto:bpeeples@cobourg.ca">bpeeples@cobourg.ca</a>	<b>Meeting Type:</b>  Open Session <input checked="" type="checkbox"/> Closed Session <input type="checkbox"/>	
<b>Meeting Date:</b>	May 31, 2021		
<b>Report No.:</b>	Public Works-032-21		
<a href="#">Submit comments to Council</a>			

**Subject/Title:** Award of SBR Expansion Contract CO-20-12

## RECOMMENDATION:

**THAT** Council approve the bid submitted by HIRA General Contractors for the SBR Expansion Project at Water Pollution Control Plant #2 in the amount of \$6,054,300.00 plus applicable taxes.

### 1. STRATEGIC PLAN

Invest in existing infrastructure to maintain existing Town assets.

### 2. PUBLIC ENGAGEMENT

N/A

### 3. PURPOSE

To expand the capacity and efficiency of the liquid waste processing system at Water Pollution Control Plant #2.

### 4. ORIGIN AND LEGISLATION

2021 Environmental Services Capital Budget

### 5. BACKGROUND

The Sequence Batch Reactor (SBR) at Water Pollution Control Plant #2 is an advanced pre-treatment system, specifically designed to biodegrade high strength liquid waste so it can be safely decanted into the headworks of Plant #2 at concentrations compliant with the Town's Sewer Use By-Law (22-2008).

The SBR has been in use for 26 years. The only upgrade in that time was a "temporary" Septic Receiving Station to screen out solids and meter volumes for billing purposes. This temporary equipment has now been in use for 14 years. The Septic Receiving Station and the existing SBR both require upgrades and the SBR expanded in order for the Town to meet the needs of its customers.

## 6. ANALYSIS

During the summer of 2020, the Request for Tender (RFT) was let as a design/build project whereby a general contractor teams up with engineering consultants to essentially provide a high level preliminary design at the time of submitting bids.

The Town received three (3) bids, all of which were over the 2020 budget which is entirely attributed to the significant increase in scope of work that included a new septic receiving station, an additional holding tank, and the site/driveway improvements that were not accounted for in the original cost estimate from 2019.

A post-tender addendum was sent out to all bidders to have them re-bid on a reduced scope of work (i.e. Construct the Septic Receiving Station only) as the base scope of work. One proponent chose to withdraw from the bidding process at this time.

An evaluation of the quotes for the revised scope of work determined that the efficiencies lost in the scaled back version were not commensurate with the capital savings achieved (i.e. A longer payback period). In addition, the future addition of a new holding tank and SBR would prove to be far more expensive than constructing everything at once due to deep foundation work in close proximity to adjacent structures. As such, staff recommended that the Town pursue the full scope of work and additional funds were approved in the Environmental Services 2021 Capital Budget.

## 7. FINANCIAL IMPLICATIONS/BUDGET IMPACTS

Three bids were originally received for the full scope of work:

Contractor	Bid
HIRA General Contractors	\$5,964,300
North American Construction	\$5,859,000
Peak Engineering	\$7,200,000

Following budget approval in February 2021, Staff scheduled a presentation with the remaining two bidders in March 2021 to review the proposals in greater detail and have the opportunity to ask questions. By this time, the cost of materials had escalated substantially due to the global pandemic and staff were informed that suppliers may not be able to hold their original bid prices. Both bidders were given equal opportunity to confirm their bids and the resultant final prices were as follows:

Contractor	Bid
HIRA General Contractors	\$ 6,054,300
North American Contractors	\$ 6,153,850

The lowest bid permits a small contingency and project management services by Stantec Engineering within the remaining approved budget allocation of \$6,300,000.

## 8. CONCLUSION

HIRA General Contractors provided a satisfactory design proposal that meets the needs of the Town and was the lower of the two bids.

## Report Approval Details

Document Title:	SBR Expansion Project - Plant 2 - Public Works-032-21.docx
Attachments:	
Final Approval Date:	May 27, 2021

This report and all of its attachments were approved and signed as outlined below:

**Tracey Vaughan, Chief Administrative Officer - May 27, 2021 - 2:44 PM**