

## Staff Report

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**Report To:** City Council  
**Report From:** Lara Widdifield, Director of Public Works & Engineering  
**Meeting Date:** April 14, 2025  
**Report Code:** OP-25-014  
**Subject:** Water Treatment Plant Filter Upgrade Project Update

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### Recommendations:

THAT in consideration of Staff Report OP-25-014 respecting Water Treatment Plant Filter Upgrade Project Update, City Council:

1. Approves the project budget increase of \$216,850; and
2. Authorizes the Manager of Corporate Services to execute Contract Change Orders for engineering and construction-related activities deemed necessary to complete the project.

### Highlights:

- The award of the Tender for the Water Treatment Plant Filter Upgrade Project Update was approved by Council on September 25, 2023;
- The scope of work includes the filter underdrain, media replacement, and mechanical equipment upgrades.
- The project has experienced related delays, which has resulted in the need for additional contract administration and inspection for the project to be completed.

### Strategic Plan Alignment:

[Strategic Plan](#) Priority: This report supports the delivery of Core Service.

## **Climate and Environmental Implications:**

This supports the objectives of the City's Corporate Climate Change Adaptation Plan by strengthening the resiliency of City infrastructure or services.

## **Previous Report/Authority:**

[Report CR-23-079](#) – Award of RFT-23-004 – Filter Upgrade, Water Treatment Plant (Construction)

## **Background:**

On September 25, 2023, the City Council approved the Award of Tender RFT-23-004 – Filter Upgrade, Water Treatment Plant (Construction) to North America Construction (1993) Ltd., the lowest compliant bid received, for \$4,785,437, including the non-refundable allocation of HST.

The project's scope of work will include the supply of equipment, materials, and labour for the:

1. Installation of air scour system to improve filter performance. This includes blowers and associated mechanical and electrical components.
2. Replace the underdrain system, which is at the end of its useful life and cannot physically support an air scour system.
3. Replacement of filter media at the same time.
4. HVAC improvements to prevent the air scour installation from worsening an existing mould situation, an additional hatch installation to facilitate removing a disused membrane that could damage underdrain components, and the installation of new UV units that the City has already purchased.

Section 29 of the Purchasing By-law authorizes the Purchasing Agent (Manager of Corporate Services) to disperse additional funds where any purchase of Goods, Services, Construction or Consulting Services has been authorized under the by-law, provided that the additional funds:

- shall not exceed the greater of \$100,000 or ten per cent (10%) of the original Contract price;
- are available within the relevant budget and are required to complete necessary works as part of the original Contract.

This report has been drafted to seek Council approval for staff to approve a contemplated change order for additional engineering services for \$216,850, including the non-refundable allowance of HST, and to ensure that sufficient funding is available to authorize potential contemplated change orders without incurring administrative delays.

## **Analysis:**

After a delayed startup, the project has been making satisfactory progress. The project phasing has been front-loaded, with the major mechanical, electrical, and programming nearly complete. The refurbishment and underdrain installation of the first filter is almost finished. Once the first filter is completed and commissioned, it is expected that filters two, three, and four will be quicker, barring any unknown structural issues.

Minor building modifications were required to accommodate the installation of new backwash blowers, leading to site grading changes and the need for an engineered retaining wall. The out-of-date electrical infrastructure (CB-1 Breaker) was incompatible and non-compliant with the new electrical process. The contingency budget has absorbed these design changes and the minor concrete repair and testing. Unfortunately, the additional consulting fees for project management and site inspection arising from the resulting extended construction duration have not.

## **Financial Implications:**

The amended budget, as approved on September 25, 2023, is \$5,567,000. The federal and Provincial Governments will fund up to \$2,841,900; the remainder will come from water user fees.

The amended budget includes a \$416,500 contingency allowance for construction-related activities, of which approximately \$147,000 was spent in the first half of the project.

The Contemplated Change Order for additional contract administration and inspection fees is \$216,350 and does not have a funding source. If it were deducted from the contingency allowance approved in the previously amended budget, it would leave a remaining contingency of \$53,150.

Staff are requesting Council approval to add \$216,350 of funding to offset the known additional costs and preserve the remaining construction-related contingency allowance should any further unforeseen needs arise in the

project. Council approval is required to satisfy the City's Purchasing Policy requirements.

If any construction-related contingency allowance remains unapplied at the end of the project, the \$2,725,100 intended to be debt-financed at the end of the project will be reduced by that amount. The debt financing is to be paid for through water user fees.

### **Communication Strategy:**

Construction-related delays do not impact the City's water users, so no additional communication is anticipated.

### **Consultation:**

Manager of Water and Wastewater  
R.V. Anderson Consulting Engineers

### **Attachments:**

None.

### **Recommended by:**

Lara Widdifield, Director of Public Works and Engineering  
Kate Allan, Director of Corporate Services  
Bradey Carbert, Manager of Corporate Services

### **Submission approved by:**

Tim Simmonds, City Manager

For more information on this report, please contact Lara Widdifield, Director of Public Works & Engineering, at [lwiddifield@owensound.ca](mailto:lwiddifield@owensound.ca) or 519-376-4440 ext. 1201.