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ADDITIONAL CONSULTING FEES - AURORA WELLS 1 TO 4

The Transportation and Works Committee recommends the adoption of the recommendation contained in the following report, October 22, 2008, from the Commissioner of Environmental Services:

1. RECOMMENDATION

It is recommended that:

Approval be granted to increase the expenditure limit of the Purchase Order issued to Genivar Ontario Inc. for contract administration and site inspection services for the Aurora Wells 1 to 4 Rehabilitation Project in the amount of \$98,496 from \$543,579 to \$642,075 excluding GST.

2. PURPOSE

This report is to obtain Regional Council approval to increase the purchase order amount for the previously retained consulting engineer to complete additional work. The York Region Purchasing By-law A-0353-2004-089 allows the value of a purchase order to be increased beyond the 15% contingency and 20% scope subject to Council Approval.

3. BACKGROUND

Aurora Wells 1 to 4 are located on the south side of Aurora Heights Boulevard, west of Yonge Street

The well site is located on the west side of Tannery Creek and routine maintenance has been performed at regular intervals on the wells. The last upgrade in 1978 was to construct the pump house for Well No. 4.

Originally, water supply treatment was provided at the well site within the pump house for Well No. 1. In 2005 a new treatment facility was completed on the east side of Tannery Creek.

Genivar Ontario Inc. was retained in December 2005 to provide services for rehabilitation of the Aurora Wells 1 to 4

The original assignment included removing the old treatment structures and equipment, rehabilitating pumps and motors in three of the four wells and replacing the pumps and motors in the fourth well.

4. ANALYSIS AND OPTIONS

Changes made during the design stage will improve energy efficiency and reduce lifecycle costs

The engineering assignment included a comprehensive well testing and design process to ensure an optimum design would be obtained. Consideration was given to reducing electrical consumption, pumping efficiency, maintenance costs, capital costs, operating costs and site aesthetics. Through this process a new design concept was developed with a more efficient pumping system that results in reduced energy consumption and reduced operating costs.

Increase in the complexity of the final design will require an increase in the duration of construction

The design changes required more time to construct than was envisioned in the original assignment. The original plan was to complete the construction activity during low water demand period between September and May. The revised construction schedule requires the work to take place over two low demand periods. No wells were allowed to be taken out of service during the high demands period to ensure adequate water supply during the summer months.

The original purchase order has already been increased in accordance with the provisions of the Purchasing By-law to address the additional costs incurred during the design stage and to allow for some of the additional contract administration and site supervision costs during construction. However, additional funds are required beyond the 15% contingency allowed in the York Region Purchasing By-Law in order to complete the project.

5. FINANCIAL IMPLICATIONS

Engineering contract includes add/delete pricing for additional construction duration

Genivar Ontario Inc.'s current assignment is based on providing 52 weeks of contract administration and inspection services. The current construction is scheduled to take an additional 24 weeks for a total of 76 weeks.

The engineering agreement with Genivar Ontario Inc. includes add/delete pricing for contract administration services in the amount of \$4,104 per week of additional or less time required. The resulting increase under the terms of the contract is \$98,496.

6. LOCAL MUNICIPAL IMPACT

This work, when completed, will result in a more reliable and efficient water supply in the local municipalities of Aurora and Newmarket.

7. CONCLUSION

Genivar Ontario Inc. is committed to completing this project in a timely manner, however, to complete the additional work, an increase in the current purchase order is necessary.

For more information on this report, contact Bala Araniyasundaran at extension 5131, Director of Capital Planning and Delivery, Environmental Services.

The Senior Management Group has reviewed this report.

(The attachment referred to in this clause is attached to this report.)