



TO: Regional District of Nanaimo Board **MEETING:** June 26, 2018
FROM: Gerald St. Pierre
Acting Manager, Water Services **FILE:** 5500-22-SP-01
SUBJECT: San Pareil Water Service Area – UV Disinfection Upgrades Project Change Order Approval

RECOMMENDATIONS

1. That the Board approve the scope change request to integrate the remote control SCADA system of the San Pareil Water Service, as per the attached Contemplated Change Order #1, for a total of \$133,638.43 (excluding GST).
2. That the Board authorize the payment to Koers & Associates Engineering Ltd. of additional fees of up to \$35,000 for engineering and contract management associated with Change Order #1 above.

SUMMARY

The Regional District of Nanaimo (RDN) has remaining budget in the San Pareil UV Disinfection Upgrades Project, which is 83% funded by a Clean Water & Wastewater Fund (CWWF) Grant and 17% funded by the Water Service Area. The Province has requested and approved an additional scope of work to be added to the project to further improve upon the project.

The contractor has priced the additional work at \$133,638.43 (excluding GST). The CCO has been recommended for approval by Koers and forwarded to the RDN. Incremental engineering fees associated with engineering and contract management for the change order are estimated at \$35,000.

BACKGROUND

In March of 2014, Island Health updated the Operating Permit for the San Pareil Water System to include the requirement to meet the Drinking Water Treatment Objectives (Microbiological) for Surface Water Supplies in British Columbia. The addition of UV disinfection to the San Pareil Water System was required as a result.

The RDN received a Clean Water & Wastewater Fund grant from the Federal and Provincial Government which covered 83% of the estimated project cost of \$840,000 and the sum of existing construction and engineering contracts totals \$620,880.42. Completion of the original scope of work is almost complete and the project is under budget.

The Province has approved the addition of a remote control system (SCADA) into the scope of work for funding under the grant. SCADA integration will improve efficiency and operation of the system by providing the ability for RDN operations to remotely monitor and control the system as well as automatically collecting and storing operational data.

An additional scope document was prepared and submitted to the contractor via Contemplated Change Order #1 (CCO#1). The contractor has now priced the CCO and returned it for approval. The CCO has been reviewed and recommended for approval by our consultant.

ALTERNATIVES

1. Include a remote control SCADA system into the San Pareil Water upgrade.
2. Do not approve Contemplated Change Order #1.

FINANCIAL IMPLICATIONS

The overall project budget is a total of \$840,000 which is funded 83% (\$697,000) via the CWWF grant, and 13% (\$143,000) from the San Pareil Water Service Area.

Currently, a total of \$620,880.42 has been allocated to the original UV Disinfection scope. This leaves \$219,119.58 remaining for additional work.

Of this remaining amount, \$133,638.43 is proposed to be committed via CCO#1, and \$35,000 for associated engineering and contract management. Anticipated project expenditures including the proposed change order are summarized below.

<i>Total Project Budget</i>	<i>\$840,000.00</i>
Original Scope	\$620,880.42
CCO#1 Amount (Contractor)	\$133,638.43
Additional Engineering Scope (Estimated)	\$35,000.00
Remaining Project Contingency	\$50,481.15

STRATEGIC PLAN IMPLICATIONS

The installation of UV Disinfection for the San Pareil Water Service Area directly supports the strategic priority to Focus on Service and Organization Excellence and "...deliver efficient, effective and economically viable services that meet the needs of the Region". More specifically, this project increases the level of service provided to the San Pareil Water Service Area, and full use of the CWWF grant funding allows the RDN to add a remote control SCADA system to the project while minimizing the financial impact on participating residents.



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June 14, 2018

Reviewed by:

- S. De Pol, Director, Water & Wastewater Services
- R. Alexander, General Manager, Regional & Community Utilities
- K. Felker, Purchasing Manager
- P. Carlyle, Chief Administrative Officer

Attachments:

1. Contemplated Change Order #1