



TOWN OF SIDNEY

REPORT TO COUNCIL

TO: Mayor and Council
FROM: Jenn Clary, Director of Engineering
DATE: July 15, 2020
SUBJECT: Reay Creek Dam Renovation

FILE NO.: 5240-20

PURPOSE:

To request approval from Council to enter into a time and materials unit rate contract with QM Environmental for the renovation of the Reay Creek Dam.

BACKGROUND:

Transport Canada has awarded their Reay Creek Pond remediation project to QM Environmental. To complete the Reay Creek Dam renovation at the same time as the pond remediation, the Town can contract QM Environmental, who is the Prime Contractor on site, to perform the dam work. If the Town does not enter into an agreement with QM Environmental, or QM Environmental is unable or unwilling to do the work, the dam renovation and pond remediation will not be completed concurrently. If the dam cannot be constructed while the pond is dewatered, there will be additional disruption to the environment and area residents, as well as additional cost associated with tendering the project and dewatering the pond.

DISCUSSION:

Staff have met with QM Environmental to discuss the project and they believe it is feasible to complete both projects concurrently. To facilitate the work in the limited available time for instream works, it is recommended that the Town enters into a contract with QM Environmental that is based on unit rates for time and materials actually spent. The project manager from Kerr Wood Leidal (KWL), the project design consultant and contract administrator, has experience administering this type of contract.

Although this type of contract reduces the Town's control over costs compared to a lump sum contract, it ensures that the Town only pays for work that is completed. Due to the tight timeline for the work and the fact that there are uncertainties around the project scope, as there always are for renovation projects, a contractor would typically include a cost associated with the level of risk on the project in a lump sum cost estimate. By entering into a time and materials based contract, this 'risk cost' will not be included. KWL has developed a cost estimate based on the detailed design for the renovation, which can be used as a guide for project expenses. KWL's estimate is within the approved budget for construction of the Reay Creek Dam and has been provided to QM Environmental. Although there are still specialized items that require subcontractor pricing, QM Environmental believes the estimate is approximately in line with their expected costs for the work.

Although staff are optimistic that the dam renovation project can proceed this year, there are still many things that need to happen to complete the dam work this year including:

- Agreement on contract;
- Material procurement;
- Secure subcontractor for specialized work; and
- DFO and FLNRO approvals for the changes to the dam and the fishway design.

FINANCIAL IMPLICATIONS:

At this time, staff anticipate that all work related to the Reay Creek Dam renovation, including planning, design, construction and contract management will be completed within the approved budget of \$900,000.

RECOMMENDATIONS:

That Council authorize staff to enter into a time and materials unit rate contract with QM Environmental for the renovation of Reay Creek Dam.

Respectfully submitted:

I concur:

Jenn Clary
Director of Engineering

Randy Humble
Chief Administrative Officer