

Minutes of a Special Meeting of Council held in the Captain's Room at the Westward Village Inn in Portage la Prairie at 7:40 a.m. on Friday, October 19, 2001.

PRESENT: Councillors Brennan, Hamilton, Porter & Quinn with Mayor MacKenzie in the Chair.

ABSENT: Councillor Allen & Tenszen

MINUTES OF MEETING 288/01 Moved by: Councillor Hamilton
Seconded by: Councillor Porter
RESOLVED THAT the minutes from the October 22nd, 2001 Council meeting be waived until the next regular meeting of Council.
Carried.

WATERWORKS COMMITTEE: Your Worship, the Waterworks Committee respectfully submits the following reports:

Purchase of Land – WTP Upgrades The Province has accepted the City's offer of \$9000.00, plus GST, for the purchase of two parcels of land; one being adjacent to the WTP and the other being across the River from the WTP.

The Province requires a formal agreement with the City for this transaction. The City is responsible for all costs associated with this purchase. A legal plan of survey is in the process of being completed and will be registered shortly.

289/01 Moved by: Councillor Hamilton
Seconded by: Councillor Porter
RESOLVED THAT Council authorize the Mayor and the City Manager to sign an agreement on behalf of the City for the purchase of land in part River Lot 23 and 24.7 acres of land in part Wood Lots 371 and 372 from the Province of Manitoba.

WTP Upgrade – Contract 1 Earlier in the year, the MWSB asked the City to consider fast-tracking some of the proposed upgrading work to suit the MWSB's available budget. The MWSB had allocated funds to the WTP upgrading over and above the initial estimated value of the work to be completed by the end of March, 2002. The City agreed to proceed with a greater amount of the work and a new schedule was developed.

The MWSB tender for Contract 1 of the Water Treatment Plant Upgrading closed on Friday, October 5, 2001. The following bids were received:

- | | |
|-----------------------|----------------|
| 1) Arnason Industries | \$5,371,400.00 |
| 2) Penn-co Const. | \$5,509,850.51 |
| 3) Bird Construction | \$5,550,530.40 |
| 4) Con-Pro Industries | \$5,635,452.46 |
| 5) Regent Const. | \$5,855,795.42 |
| 6) Gateway | Disqualified |

Each bid includes 7% GST and a \$200,000 contingency for Extra Work.

The low bid, with the GST rebate is \$5.17 million. With Engineering and MWSB costs, the total cost of the project will be approximately \$5.67 million.

The work includes the construction of the pretreatment facility; lime sludge drying beds, with pump station and piping; raw water pump station renovations and new raw water line to the Plant; some control system works; filter modifications; and structural repairs to the existing building.

The consultant's pre-tender estimate was \$4,507,000, with 7% GST. The funding agreement with the Manitoba Water Services Board includes \$5.08 million for this project, of which approximately \$500,000 is for engineering, and MWSB staff fees.

The budget for the project including engineering is approximately \$4.4 to \$4.5 million. This is not exact because the tendered work was split differently from the original budget detailed listing. For example, the ozone system was

incorporated into the budget as a portion of the "existing plant upgrades" budget item. The ozone system is not included in this tender.

The MWSB cannot award the contract as is since it is over the budget allocation. The alternative would be to attempt to get funding approval from the Minister and cabinet which would take several weeks, and delay construction or delete some of the work from this contract. If we delete some work now, such as the lime sludge ponds, and defer this work until the next contract in 2002, we would ask for a credit from the low bidder. In this case, the credit he would offer would be significantly less than the actual value of the work. We would end up paying extra for this portion of the work next year. We also considered modifying or deleting some of the work entirely from the project. Upon reviewing these items, we came up with a potential credit of only about \$100,000. Again, the credit offered by the low bidder is likely significantly less than the true value. Essentially, we would be giving up about \$150,000 to \$200,000 worth of value to get \$100,000 in savings.

In order to award the contract as soon as possible, the Manitoba Water Services Board has asked the City to assume responsibility for all potential expenditures over the funding agreement limit as specified in the agreement between the City and the MWSB. The estimated remaining budget for construction is \$4.6 million. The City would be assuming responsibility for approximately \$1.25 million. The MWSB would then add this amount into the next funding agreement which is expected to be signed early in 2002. The MWSB is also evaluating whether or not there are any surplus funds available under previously signed agreements.

Arnason Industries provided a breakdown of their bid so that Cochrane Engineering can evaluate it against their estimates. It appears that Cochrane Engineering was 20% off the mark in their estimate across the board with respect to all construction disciplines. There was no single area evident that was underestimated.

It is important to get the contract awarded as soon as possible in order for the earthworks and foundation work to be completed before inclement weather sets in.

290/01 Moved by: Councillor Hamilton
Seconded by: Councillor Porter
RESOLVED THAT Council accept the proposal from the Manitoba Water Services Board for the City to assume responsibility for all potential expenditures over the funding limit as specified in the agreement between the City and the MWSB, and that the MWSB be requested to award the Water Treatment Plant Contract #1 immediately to the acceptable low bidder.
Carried.

ADJOURNMENT: 291/01 Moved by Councillor Hamilton
Seconded by Councillor Porter
RESOLVED THAT the meeting adjourn at 7:50 a.m.
Carried.

Mayor

Manager of Administration