



INFRASTRUCTURE SERVICES COMMITTEE

Thursday, June 10, 2021

Held Electronically in Accordance with Ministerial Order M192
and Transmitted via the SCRD Boardroom, 1975 Field Road,
Sechelt, B.C.

AMENDED AGENDA

CALL TO ORDER 9:30 a.m.

AGENDA

1. Adoption of Agenda

PRESENTATIONS AND DELEGATIONS

REPORTS

2. Water Supply Update Verbal
General Manager, Infrastructure Services
3. Church Road Well Field Project – Update Annex A
General Manager, Infrastructure Services / pp 1 - 2
Manager, Capital Projects
Regional Water (A, B, D, E, F and Sechelt)
4. SCRD Curbside Recycling – Additional Information for Annex B
Consideration pp 3 - 19
Manager, Solid Waste Services
(Voting – B, D, E, F)
5. Contract Sechelt Landfill Drop-off Remediation Project – Financial Update → **INSERT**
General Manager, Infrastructure Services **19a – 19d**
Regional Solid Waste (Voting – All)
6. Comprehensive Landfill Engineering Consulting Services Contract Annex C
Amendment pp 20 – 21
Manager, Solid Waste Services
Regional Solid Waste (Voting – All)
7. SCRD Book Recycling Program Update Annex D
Manager, Solid Waste Services pp 22 - 23
Regional Solid Waste (Voting – All)
8. Tipping Fee Updates at SCRD Solid Waste Facilities – Additional Annex E
Information for Consideration pp 24 - 32
Manager, Solid Waste Services
Regional Solid Waste (Voting – All)

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| <p>9. Transit Future Action Plan Stakeholders
 Manager, Transit and Fleet
 (Voting – B, D, E, F, Gibsons, Sechelt, SIGD)</p> | <p>Annex F
 pp 33 - 35</p> |
| <p>10. Award Report – Three Year Geographic Information Systems
 (GIS) Software Contract Renewal
 Manager, Information Technology and GIS
 (Voting – All)</p> | <p>Annex G
 pp 36 -38</p> |
| <p>11. RFP 2161304 Reconstruction Pool Facility Fire Sprinkler System
 Award Report (Sechelt Aquatic Facility)
 Manager, Facility Services and Parks
 Community Recreation Facilities (Voting – B, D, E, F, DoS,
 SIGD, ToG)</p> | <p>Annex H
 pp 39 - 43</p> |
| <p>12. Solid Waste Management Plan Monitoring Advisory Committee
 Meeting Minutes of May 18, 2021
 Regional Solid Waste (Voting – All)</p> | <p>Annex I
 pp 44 - 46</p> |

COMMUNICATIONS

NEW BUSINESS

IN CAMERA

ADJOURNMENT

SUNSHINE COAST REGIONAL DISTRICT STAFF REPORT

TO: Infrastructure Services Committee – June 10, 2021

AUTHOR: Remko Rosenboom, General Manager, Infrastructure Services

SUBJECT: **CONTRACT SECHELT LANDFILL DROP-OFF REMEDIATION PROJECT – FINANCIAL UPDATE**

RECOMMENDATION(S)

THAT the report titled Contract Sechelt Landfill Drop-Off Remediation Project – Financial Update be received;

AND THAT the contract with Summit Earthworks Inc. for the Sechelt Landfill Drop-off Remediation be increased in the amount of \$128,779 up to \$1,028,541 (plus GST);

AND THAT the delegated authorities be authorized to execute this contract;

AND THAT the Sechelt Landfill Drop-Off Remediation budget be increased by \$158,779 to \$1,659,155 (\$128,779 from short-term debt and \$30,000 from existing operational budget) for the remediation/construction phase of the project;

AND THAT the Sunshine Coast Regional District authorize up to \$1,247,667 to be borrowed, under Section 403 of the Local Government Act, from the Municipal Finance Authority, for the purpose of the Sechelt Landfill Drop-off Remediation project;

AND THAT the loan be repaid within five years with no rights of renewal;

AND THAT the 2021-2025 Financial Plan be amended accordingly;

AND FURTHER THAT these recommendations be forwarded to the June 10, 2021 Board Meeting.

BACKGROUND

At its March 11, 2021 meeting the Board approved the following recommendation:

070/21 ITT Contract Award Sechelt Landfill

THAT the report titled Invitation to Tender (ITT) 2035202 Contract Award Sechelt Landfill Drop-Off Remediation - Construction be received;

AND THAT a contract for Sechelt Landfill Drop-off Remediation be awarded to Summit Earthworks Inc. in the amount up to \$899,762.21 (plus GST);

AND THAT the contract with XCG Consulting Ltd. for Engineering Services for the Detailed Design of the Sechelt Landfill Public Drop-off Area be increased from \$56,127

up to \$116,660 (plus GST) to provide Construction Oversight of the Sechelt Landfill Drop-off Remediation;

AND THAT the delegated authorities be authorized to execute both contracts;

AND THAT the Sechelt Landfill Drop-Off Remediation budget be increased by \$122,661 to \$1,500,376 for the construction phase of the project;

AND THAT the Sunshine Coast Regional District authorizes up to \$1,118,898 be borrowed, under Section 403 of the Local Government Act, from the Municipal Finance Authority, for the purpose of the Sechelt Landfill Drop-off Remediation project;

AND THAT the loan be repaid within five years with no rights of renewal;

AND THAT the Draft 2021-2025 Financial Plan be amended accordingly;

AND FURTHER THAT these recommendations be forwarded to the March 11, 2021 Board Meeting.

The purpose of this report is to provide the Board with a status update on the project, including a financial update, and seek direction on next steps.

DISCUSSION

Analysis

On May 24, 2021 the remediation/construction phase of this project started. During the first three weeks on-site the contractor demolished and/or removed the former share shed building and other structures, removed any excess material from the site and remediated the entire area on which the new drop-off area is located using the Rapid Impact Compaction method. Based on the assessments completed last year, it was expected that voids were not evenly spread over the area and this was confirmed during the compaction work. While in some areas the compaction was minimal (10-20 cm), in some areas it was more significant (60-70 cm). This resulted in the total amount of effort required to compact the entire area to exceed the budgeted amount. This resulted in an additional expenditure of \$23,508.

As the old-drop-off area contained a lock-block wall, the intent was to salvage those lock-blocks and any aggregates behind it for reuse in the new drop-off area. During the first several weeks on site staff noticed that swallows were starting to build their nests in the cavities between the lock-blocks in the former drop-off area. A professional Biologist subsequently confirmed that tree swallows were indeed nesting and advised that as this is a federally protected species, the lock-blocks would need to stay in place until such time that any young birds would have fledged. This would delay the project completion anywhere between six weeks to several months. Such a delay would allow the contractor to claim additional expenses, for example related to additional mobilization and demobilization and any additional course associated with the sourcing of materials, supplies and sub-contractors. During that time additional bin rental and container services costs would also be incurred.

Staff confirmed it would therefore be more cost-efficient to purchase additional lock-blocks and aggregates instead of using salvaged lock blocks from the former drop-off area. The additional costs associated with this is \$149,881 and several cost-savings totaling \$44,610 were realized.

Financial Implications

Table 1 presents the above-listed impacts on the budget for this project.

Table 1 – Sechelt Landfill Drop-off Remediation Project Costs

Project Phase	Original budget	Amended budget
Initial site assessments	\$15,200	\$15,200
Bin rental and container services	\$338,599	\$368,599
Construction temporary drop-off area	\$27,679	\$27,679
Engineering services (incl. 10% contingency allowance for construction oversight support)	\$129,160	\$129,160
Contractor for remediation/construction phase	\$899,762	\$1,028,541
Contingency allowance remediation/construction contract	\$89,976	\$89,976
Total	\$1,500,376	\$1,659,155

As the approved project budget is \$1,500,376, and the project costs are now budgeted at \$1,659,155 the budget shortfall is \$158,779.

The current value of the contract with Summit Earthworks Inc. is to be increased by \$128,779 and the amended budget listed would allow it to be increased to \$1,028,541 (plus GST) to reflect the changes in activities required to complete this project in a timely manner.

Staff are recommending that the budget shortfall be funded through an increase of \$128,779 to the short-term borrowing under Section 403 of the *Local Government Act* (Liability Under Agreement) with the Municipal Finance Authority of BC (MFA) and that \$30,000 is available through the existing operational budget due to reduced contract costs in other areas.

The short-term borrowing with the MFA has a current variable rate of interest of 0.94%. The estimated annual repayment including interest for 2021 is \$106,220 assuming the financing is obtained in August, to \$254,928 in 2022-2025 when a full year of repayments is required with final payments to 2026. This would be recovered through taxation and approximately \$122,000 was Budgeted starting in 2021. The Taxation implication for 2022 is an approximate 1% overall tax increase for the Regional Solid Waste Service.

Timeline for next steps

Upon Board approval of the contract and budget amendment, staff will initiate the contract amendment with Summit Earthworks Inc. for execution. This would allow construction to proceed as per the current schedule and the project to be completed by the end of July/early August, pending any other unforeseen events.

Communications Strategy

Information about this project is shared through social media and through the project page on [Let's Talk SCRD](#).

STRATEGIC PLAN AND RELATED POLICIES

N/A

CONCLUSION

While the remediation/construction phase of the project is progressing on schedule, additional costs are being incurred which has resulted in a budget shortfall of \$158,779.

To address the shortfall resulting from both contract awards and to allow for a \$89,976 contingency allowance for the remediation/construction phase, staff recommend that the Sechelt Landfill Drop-Off Remediation budget be increased by \$158,779 to \$1,659,155 and be funded through short-term borrowing from the Municipal Finance Authority (\$128,779) and other existing operational cost savings (\$30,000).

Staff also recommend the contract with Summit Earthworks Inc. for the Sechelt Landfill Drop-off Remediation be increased in the amount of \$128,779 up to \$1,028,541 (plus GST).

Reviewed by:			
Manager	X - R. Cooper	CFO/Finance	X-T. Perreault
GM		Legislative	
CAO	X – D. McKinley	Purchasing	X-V. Cropp