



Staff Report to Council

DATE: Tuesday, May 21, 2024

DEPARTMENT: Engineering

SUBJECT: Award of Construction Contract for Jenkins, Glen Lake (West), and Hull Roads Sewer Extension

EXECUTIVE SUMMARY:

The purpose of this report is to seek Council approval for West Shore Environmental Services (WSES) to proceed with the construction of the Jenkins, Glen Lake (West), and Hull Roads sewer extension. Council had previously authorized WSES to design and tender the extension of sewer on these roads with an estimated construction cost (budget) of \$2,280,000, to be brought back to be approved by Council at a future date for contract award on the basis that only typical sewer connection fees would be charged to residents.

WSES tendered the Works in one package to their preferred local contractors and received a total of six (6) bids, of which half of the bids were under budget. All schedules submitted were under the pre-tender estimate of six (6) months to construct, except for the highest bid. The lowest bidder withdrew their bid shortly after submission; therefore, staff are recommending approval of the award of the construction contract to the second lowest bidder, Chew Contracting Ltd. (Ralmax) at an amount of \$2,089,432.50 plus GST with an estimated five (5) month construction period.

BACKGROUND:

The Sewer Utility Agreement between West Shore Environmental Services (WSES) and the City states:

“The City of Langford has requested and West Shore has agreed that all sewer extensions be funded in a manner so that there is no negative financial impact on the sewer utility. This means that any sewer extension constructed under the direction of West Shore would require full cost recovery from the development or homeowner groups directly benefiting from the extension. It is further understood that the City and West Shore may mutually agree to construct sewers that do not meet the above requirements in order to address community priorities, matters of public health and protection of the environment or other situations as deemed appropriate.”

WSES completed priority projects from 2005 to 2008, to provide sanitary sewer services to all lake-front properties, due to the environmental sensitivity of those areas. The Glen Lake area was serviced in 2005; however, there were areas near Glen Lake (not directly adjacent to the lake) that were not sewered at that time, due to cost constraints and considerations for completing the other lake-front areas in a timely manner.

COMMENTARY:

Projects are prioritized based on the Sewer Master Plan and the Sewer Utility Agreement. The scope of the construction of the Jenkins, Glen Lake (West), and Hull Roads sewer extension includes approximately 940 meters of gravity sewer mainline servicing approximately 51 lots; with the extents as highlighted in Figure 1.

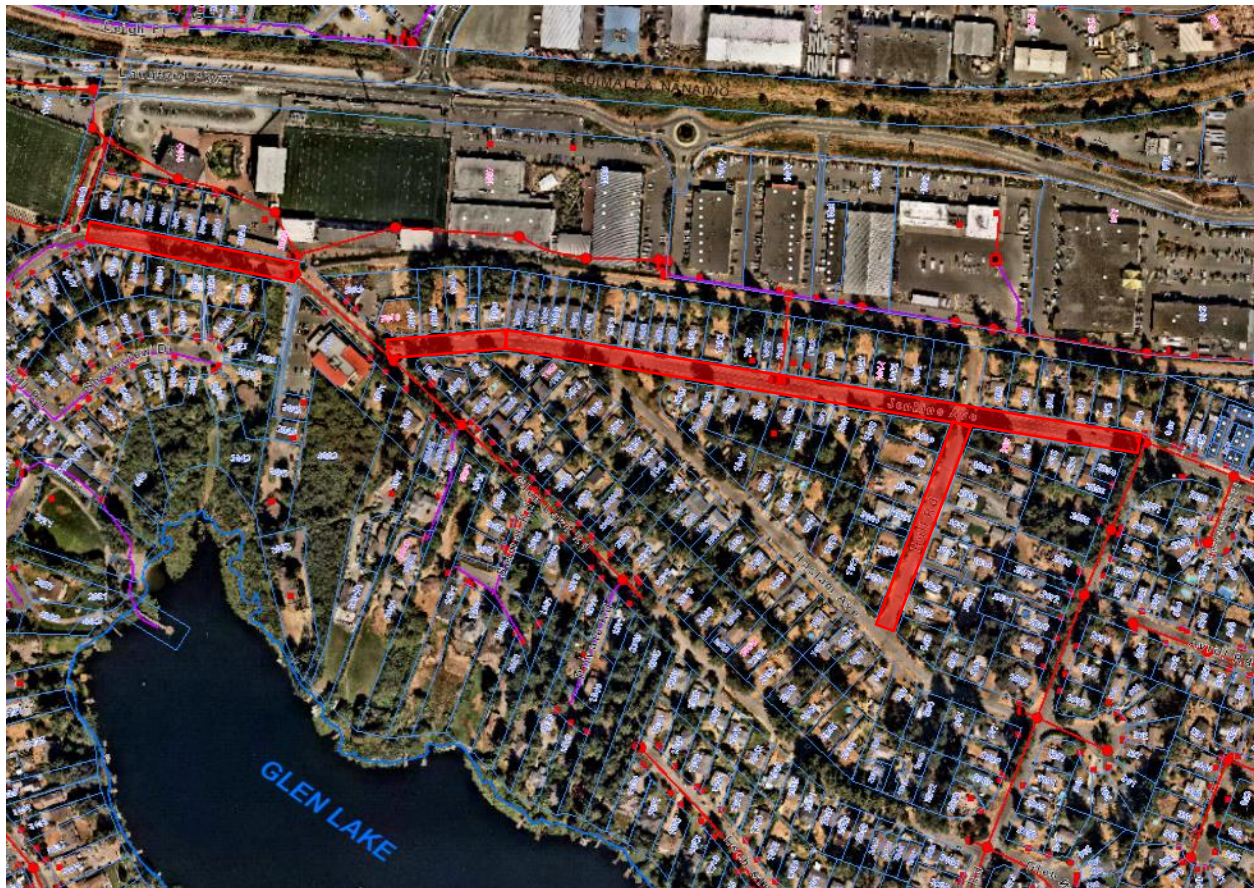


Figure 1: Jenkins, Glen Lake (West), and Hull Roads Sewer Extension Location Map

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WSES and their consultant foresee no impacts to the trees in this area and will hire an arborist to oversee the project. WSES notes that during a prior sewer installation on Glen Lake Road (West of Jenkins) there were no trees lost during construction. Also, as the sewer main will be mostly in the road shoulder, WSES anticipates no significant impact to resident traffic. A traffic management plan will still be submitted to the City for approval prior to construction. For the Glen Lake Road (west) portion, WSES may request to do night work to minimize impacts on peak hour traffic and local events (at the school and stadium, for example).

Of the properties that remain unsewered in the Glen Lake area, there are currently numerous failing septic disposal fields. The residents have contacted both the City and WSES many times requesting sewer extensions in this area. The current estimated cost to residents to replace each of those septic fields is approximately \$30,000 to \$40,000. In some cases, as staff have seen in other areas of Langford, the new requirements for septic fields make it unfeasible to replace old septic fields. More importantly, when septic fields fail, they can percolate into the water table or up into yards, which has negative public health and environmental impacts.

Under the City's mandatory connection requirement, property owners will be required to connect to the sewer main within one (1) year of construction completion. The construction cost of this sewer extension exceeds the anticipated Sewer Connection Recovery Fees (SCRFs) from the existing 51 homes and including a nominal allowance of 100 SCRFs for future infill developments (such as townhouses) which means it is not a revenue neutral project.

This extension, if approved, is to be completed within the terms of the Sewer Utility Agreement. Staff do not recommend adding a surcharge on the SCRFs to maintain a revenue neutral extension. Staff also do not recommend any contribution in aid of construction (CIAC) to maintain a revenue neutral extension. This means that WSES would be contributing the difference between construction costs and revenue from their deferral account. This requires Council's approval to proceed, in accordance with the Sewer Utility Agreement.

FINANCIAL IMPLICATIONS:

There is no direct cost to the City associated with this project because it will be awarded and paid for by WSES, if approved. However, as stated above, the project will not be revenue neutral on its own. Therefore, the difference will be added to WSES' deferral account which will be paid via fees collected from the system as a whole. For example, there are cases where the SCRFs collected for a multi-family development (on a street that is already serviced by sewer) exceed the cost to service that site. In this case, those additional SCRF's offset the shortfall (deferral) created by projects that are not independently revenue neutral.

LEGAL IMPLICATIONS:

None noted.

STRATEGIC PLAN INITIATIVES:

This aligns with Council's core value of Environmental Stewardship, and the Sustainable Development, and Good Governance strategic priorities as detailed in the Strategic Plan.

OPTIONS:

Option 1

THAT Council authorize West Shore Environmental Services to construct the extension of sewer on Jenkins, Glen Lake (West), and Hull Roads, on the basis that only typical sewer connection fees will be charged to those connecting and with no contribution in aid of construction from the City;

AND

THAT Council approve the award of the construction contract for the Jenkins, Glen Lake (West), and Hull Roads sewer extension to Chew Contracting (Ralmax) at an amount of \$2,089,432.50 plus GST.

OR Option 2

THAT Council not authorize West Shore Environmental Services to proceed with the Jenkins, Glen Lake (West), and Hull Roads sewer extension at this time.

SUBMITTED BY: Kyla Kay, P.Eng., Senior Engineering Technologist

Concurrence: Donna Petrie, Senior Manager of Communications & Economic Development

Concurrence: Yari Nielsen, Director of Parks, Recreation and Facilities

Concurrence: Matthew Baldwin, RPP, MCIP, Director of Development Services

Concurrence: Leah Stohmann, RPP, MCIP, Director of Community Planning and Climate Change

Concurrence: Katelyn Balzer, P.Eng., Director of Engineering and Public Works

Concurrence: Michael Dillabaugh, CPA, CA, Director of Finance

Concurrence: Marie Watmough, Deputy Director of Corporate Services
Concurrence: Braden Hutchins, Director of Corporate Services
Concurrence: Darren Kiedyk, Chief Administrative Officer