



Agenda

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Special Council Meeting

to be held at
Room A, City Hall
171 Main Street, Penticton, B.C.

Thursday, October 24, 2019
at 11:00 a.m.

1. **Call Special Council Meeting to Order**
2. **Adoption of Agenda**
3. **Staff Reports:**

Chapman	3.1	Budget Amendment - WTP Chlorine Gas Disinfection Conversion	1-2
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4. **Public Question Period**
5. **Adjournment**

Council Report

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Date: October 24, 2019 File No: 5250-50
To: Donny van Dyk, Chief Administrative Officer
From: Ian Chapman, P.Eng, City Engineer
Subject: **Budget Amendment - WTP Chlorine Gas Disinfection Conversion**

Staff Recommendation

THAT Council amend the 2019 budget to transfer \$25,590 from CAP 40025-W01 and \$113,000 from the Water Surplus Reserve for the completion of the conversion of the water disinfection system at the Water Treatment Plant from chlorine gas to liquid chlorine.

Strategic priority objective

This work supports the Council Priorities of Community Safety by improving staff, resident and visitor confidence that a safe and secure water disinfection process is in place.

Background

The Chlorine Conversion Project was included in the 2019 budget process to replace the potentially dangerous gaseous chlorine water disinfection process at the Water Treatment Plant (WTP) with a safer, liquid based, system.

This project has faced many hurdles and has been difficult to get to completion:

- When the project was initially tendered in April of 2019, no bids were received.
- Tender documents were revised to apportion risk differently:
 - The City undertook the pre-purchase of the equipment.
 - The Contractor took on the installation.
- The project was re-tendered and two bids were received when the tender closed October 9, 2019.
- The low tender was \$138,590 over budget.
- Staff and the consultant worked with the low bidder over the period October 10 – October 16 to see if the cost could be reduced to keep the project within budget. It was found that this was not possible.
- The matter is before Council now as staff want to move this project forward quickly to eliminate the gaseous chlorine disinfection system as soon as possible.

Financial implication

Consultants	\$25,469
Tank Purchase	\$83,947
Pump Purchase	\$62,829
General Contractor	\$599,845
Total	\$772,090
Budget	\$633,500
Short Fall	\$138,590

The budget shortfall can be addressed by transferring budget to the Chlorine Disinfection Conversion project CAP 10028-W02 from the following:

- **\$25,590** from CAP 40025-W01 remaining after completion of a project to relocate monitoring stations, and
- **\$113,000** from the Water Surplus Reserve

The balance of the Water Surplus Reserve was \$6, 802,114 million as at December 31, 2018

Analysis

Amending the 2019 City Budget to provide the required funds will allow us to award the contract for the installation of the previously purchased equipment and remove gaseous chlorine from the disinfection process at the Water Treatment Plant.




Alternate recommendations

THAT Council direct staff to reject the current tender, include a request for additional budget in the 2020 budget process and re-tendered the work in 2020.

Respectfully submitted,

Ian Chapman P.Eng.
City Engineer

Concurrence

General Manager of Infrastructure 	Chief Financial Officer 	Chief Administrative Officer 
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