



**City of Lloydminster
Request for Decision (RFD)**

Subject Matter: Water Treatment Plant – Hydrated Lime System - Contractor Award

Department: Operations

Presented By: Karen Dela Rosa

Council Meeting Date: February 5, 2024

Recommendation:

That Council approve Administration commit an additional \$644,000 from the Environmental Services Capital Reserve (1-400-410-35140) to Capital Budget Project No.:1841108.

That Council approve the award of the Water Treatment Plant – Hydrated Lime System Contractor to Alpha Construction Inc. of Morinville, AB, in the amount of \$757,777, excluding GST, to be allocated from the Capital Budget Project No.: 1841108 and that the Mayor and City Clerk be authorized to sign and seal all necessary documents. In addition, that Council approve a contingency allowance of 10% in the amount of \$75,777, excluding GST, to be allocated from the Capital Budget Project No.: 1841108.

That Council approve the increase of the contract amount of ISL Engineering & Land Services Ltd. of Edmonton, AB, in the amount of \$42,000 excluding GST, to be allocated from the Capital Budget Project No.: 1841108 and that the City Manager be authorized to sign all necessary documents associated with the Scope Change for Construction Inspection Support.

Issue: To maintain water quality as well as to improve operator input requirements the Water Treatment Plant requires an upgrade to the Hydrated Lime chemical feeder system. The upgrades are required to be retrofitted into the existing facility.

Background: The City of Lloydminster (City) retained ISL Engineering & Land Services Ltd. (ISL) to act as an Owner’s-Engineer. As part of this initial project stage a technical memorandum was completed by ISL in which an assessment of the current Water Treatment Plant and its operating systems was completed. The assessment included a recommendation for improvements to the existing hydrated lime chemical feeder system. Various rehabilitation options of the existing system were considered and ultimately it was recommended that a modernized replacement to the existing hydrated lime chemical feeder system was the ideal solution to improve the operations of the Water Treatment Plant.

Throughout the project planning stages it was determined that the most advantageous procurement and project delivery method was to secure a technology vendor to assist with the development of the detailed design and specifications of the system prior to securing a construction contractor. This method was chosen to ensure the designed hydrated lime chemical feeder system met the requirements of the existing Water Treatment Plant and its operations and was feasible to be constructed within the existing facility. The Technology vendor for the project (Storage and Transfer Technologies (STT)) was procured in February of 2022. STT, ISL, and City Administration worked collaboratively to finalize the detailed design and construction specifications of the Hydrated Lime chemical feeder system. Once the system was designed all required components to be supplied by STT were placed in



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production. Delivery of the hydrated lime chemical feeder system and associated components was completed on December 19, 2023.

Throughout the detailed design process, it was determined that in order to complete the installation of the modernized lime equipment and meet current building code requirements, improvements to the existing lime room and operating systems would be required. Thus, the scope of work for a construction contractor included any required alterations to the ventilation and pneumatic systems within and outside the hydrated lime room to ensure operations can commence properly once installation is completed.

The City issued a bid document publicly on the City's Bids and Tender's webpage on December 19, 2023, to procure the services of an experienced prime contractor to complete the installation of the previously procured and supplied hydrated lime chemical feeder system and associated equipment. A pre-tender meeting was held on January 9, 2024, to provide all potential vendors the opportunity to review the scope of work and gain an understanding of the intricacies of the project. Three (3) vendors attended the pre-tender meeting. In addition to a review of the scope of work a complete walkthrough of the project was completed.

The tender period closed on January 24, 2024, with one (1) submission being received and reviewed for correctness. The tender period, totaling five (5) weeks, was implemented as it aligned with the project teams anticipated construction schedule as well as maximized the time the opportunity was available for bidding. The submission included two (2) of the Vendors who attended the pre-tender meeting. The total tender amounts, excluding GST, are summarized in the table below:

Contractor	Tender Amount, excl. GST (Construction Cost)
Alpha Construction Inc., Morinville, AB	\$757,777.00

Due to the need for the hydrated lime chemical feeder system to be operational for dosing throughout the spring and summer months, Administration and the contractor will endeavor to have the system completed prior to the 2024 dosing season. If in the event the hydrated lime chemical feeder system is not operational by this time appropriate measures will be put in place to maintain water quality.

Due to the specialized scope of work, references were contacted for the contractor and all sub-contractors noted within the documents to ensure experience with similar styled projects. It should be noted that Alpha Construction Inc. is currently working within the Water Treatment Plant on the installation of the UV Disinfection System.

Furthermore, Administration and ISL are confident that the pricing received is reasonable for the scope of work.



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Options:

1. That Council approve all motions as indicated in the Recommendation above.
2. That Council not approve the motions as indicated in the Recommendation above.
3. That Council request additional information and that the item be brought forward to a future Regular Council Meeting.

Alignment with Strategic Plan: This item is in alignment with the following strategic area: Managing our Environment and Infrastructure. These upgrades are required to ensure that the Water Treatment Plant and its associated facilities continue to function efficiently and manage the demands of the City.

Legal Review: N/A

Governance Implications: N/A

Budget/Financial Implications: The Water Treatment Plant – Hydrated Lime System project (Capital Budget Project No.:1841108) has an approved 2024 Capital Budget of \$244,166.27. The anticipated costs associated with the project have been allocated as follows:

Funding Sources		
• Environmental Services Capital Reserve (1-400-410-35140) (Original Budget)	\$244,166.27	
• Environmental Services Capital Reserve (1-400-410-35140) (Additional Budget)	\$643,964.69	
		\$888,130.96
Consultant Costs		
• Tender Administration Costs (Previously Approved)	\$13,381.44	
• Owner’s Engineer Costs (Additional Request)	\$41,195.52	
		\$54,576.96
Contractor Costs		
• Construction Tender Amount, incl. Technology Vendor Novated Agreement	\$757,777.00	
• Construction Contingency (10%)	\$75,777.00	
		\$833,554.00
Remaining Budget		\$0.00



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The additional funding request for Capital Budget Project No.: 1841108 is to be committed from the Environmental Services Capital Reserve (1-400-410-35140). In conjunction with this, it should be understood that three (3) other Water Treatment Plant projects (i.e., Powder Activated Carbon chemical feeder system, SCADA improvements, and UV installation) are currently near completion and are anticipating a surplus of approximately \$800,000. This surplus in capital budget will be returned to the Environmental Services Capital Reserve (1-400-410-35140) in 2024 to cover the additional budget commitment for this project.

Environmental Implications: N/A



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Report Approval Details

Document Title:	Water Treatment Plant - Hydrated Lime System - Contract Award.docx
Attachments:	
Final Approval Date:	Feb 1, 2024

This report and all of its attachments were approved and signed as outlined below:

Don Stang

Doug Rodwell

Dion Pollard