

**DATE:** November 2, 2023

**FILE:** 5330-20/SSCP

**TO:** Chair and Members  
Sewage Commission

Supported by James Warren  
Acting Chief Administrative Officer

**FROM:** James Warren  
Acting Chief Administrative Officer

***J. Warren***

**RE: Sewer System Conveyance Project Budget**

---

### **Purpose**

To provide updates on the Sewer System Conveyance Project (SSCP) procurement closing, contracts issued and the project budget, and provide a timeline for next steps.

### **Recommendation from the Acting Chief Administrative Officer:**

None.

### **Executive Summary**

In August 2022, the Sewage Commission approved several amendments to the project budget:

- The total budget of the SSCP was increased to \$101 million, which included an additional \$16.7 million of short-term debt funding;
- An Alternate Approval Process (AAP) to be completed after procurement closing to convert short-term debt to long term debt if needed; and
- The maximum value of the two major contracts to be:
  - Design-Build (DB) (pump stations, transmission main, HDD) = \$56.3 million
  - Design-Bid-Build (DBB) (transmission main in Town of Comox) = \$29.6 million

In October 2023:

- The Comox Valley Regional District (CVRD) signed a DB Agreement with Maple Knappett Joint Venture, with a total expected value of \$55.9 million.
- The CVRD have issued a Notice of Award to Wacor Holdings Ltd., with a total expected contribution for CVRD of \$19.9 million.

The total project cost is reforecast to \$96 million, \$5 million less than the approved budget of \$101 million. Details are summarized in Appendix A.

Although the major contracts have been secured for \$10 million less than the approved budget, some additional items will need to be added to the project:

- Additional procurement, land and legal costs from managing the challenges with horizontal directional drilling and the changes to the project scope to resolve them;
- Adding real-time leak detection monitoring and equipment to the scope of the project;
- New in 2024 is the capitalization of project management staffing expenses, allocated to capital projects;
- The construction contingency will increase from \$2.5 million to 5.4 million; and
- The CVRD plans to bring back a revision to the project budget in December 2023, which may include an AAP to convert short-term debt to long-term debt and other grant opportunities.

The next steps on the project are:

November 2023	Sewage Commission and media release on successful procurement
December 2023	Sewage Commission: project budget and construction/traffic plans  Lazo Hill public webinars on groundwater protection and traffic  Sign contract with DBB contractor
January 2024	Public engagement on construction schedules and traffic plans  Pre-construction exploratory work starts
March 2024	Constructions starts

Prepared by:

**C. Gore**

---

Charlie Gore, P.Eng.  
Senior Manager of  
Capital Projects Delivery

Concurrence:

**M. Rutten**

---

Marc Rutten, P.Eng.  
General Manager of  
Engineering Services

**Government and Community Interests Distribution (Upon Agenda Publication)**

City of Courtenay	✓
Town of Comox	✓
K’ómoks First Nation	✓

Attachments: Appendix A – Sewage System Conveyance Revised Projected Costs and Funding

**Appendix A - Sewer Conveyance Project Revised Projected Costs and Funding**

**Budget Table**

	<b>Approved Budget August 2022</b>	<b>Revised Projected Costs</b>	<b>Change</b>	<b>Notes</b>
Design-Build Contract	\$ 56.3	\$ 55.9	\$ (0.4)	
Design-Bid-Build Contract (CVRD portion + transfers to Town)	\$ 29.6	\$ 19.9	\$ (9.7)	
CVRD Indirect (Engineering / Land / Legal / Other)	\$ 12.6	\$ 13.3	\$ 0.7	Significant extras: procurement/land/legal for HDD issues
Project Management Office (PMO) Costs		\$ 0.8	\$ 0.8	Moved from operating budget to capital expense
Real-time leak detection		\$ 0.8	\$ 0.8	New scope
CVRD Construction Contingency	\$ 2.5	\$ 5.4	\$ 2.9	Uncommitted funds - prudent project management
<b>Total (\$M)</b>	<b>\$ 101.0</b>	<b>\$ 96.0</b>	<b>\$ (5.0)</b>	

**Funding Table**

	<b>Approved Funding</b>	<b>Projected Funding</b>	<b>Delta</b>	<b>Notes</b>
Capital Works Reserves	\$ 13.7	13.7	\$ -	
DCC Reserves	\$ 18.6	18.6	\$ -	
Long Term Debt	\$ 52.0	52.0	\$ -	
Short Term Debt	\$ 16.7	10.9	\$ (5.8)	
Transfer from other functions		0.8	\$ 0.8	For PMO costs
<b>Total</b>	<b>\$ 101.0</b>	<b>\$ 96.0</b>	<b>\$ (5.0)</b>	