

April 11, 2017

Aileen Waller-Hebb, P.Eng.  
Department of Municipal Affairs  
Maritime Centre, 14<sup>th</sup> Floor North  
1505 Barrington St.  
PO Box 216  
Halifax, NS  
B3J 2M4

**Re: Parrsboro Wastewater Treatment Plant and Network Expansion – Requested Scope Change**

Dear Ms. Waller-Hebb:

The Municipality of the County of Cumberland (MCC) is requesting a change in scope of the Parrsboro Wastewater Treatment Plant and Network Expansion project. This project has received funding under the Clean Water and Wastewater Fund. The community of Parrsboro is currently serviced by a limited and untreated sewer network. This project has been undertaken in order to meet Federal Wastewater Effluent regulations and to maintain a high standard of environmental stewardship.

Prior to dissolution the former Town of Parrsboro applied for funding under the Clean Water and Wastewater Fund. This funding request was accepted in the amount of \$8,608,536.00. The estimated capital cost of this project was based on the cost estimates included in the Parrsboro WWTP – Predesign Report completed by CBCL Limited July 4, 2016.

CBCL was retained by the Town of Parrsboro to complete the detailed design and tendering of this project. Since the dissolution of the Town on October 31, 2016, the Engineering and Operations Department of MCC has assumed project management responsibilities for this project. In an effort to meet the aggressive deadlines for project completion set by the Clean Water and Wastewater Fund this project is being executed under multiple contracts. MCC has recently closed the tender for the Collection System Expansion. This tender included all of the linear infrastructure and pumping stations.

Bids for this tender closed significantly higher than the estimated capital costs for this scope of work. The cost estimate for the collection system in the pre-design report was \$4,853,000 before taxes. The pre-tender Class A cost estimate based on the detailed design was \$5,653,644. The low bid received was \$7,478,500. This a \$2,625,500 increase from the cost estimate used for funding application. Per CBCL's memorandum "Collection System Tender Review" dated April 3, 2017, "It is thought that the high unit rates are a result of the surplus of pipe work being tendered this spring

and contractors are putting a premium on travelling as they can secure work close to their home base which is easier to manage.”

In addition to amalgamating the existing sewer outfalls and collecting the wastewater generated by the existing users of the sewer network, the scope of work in this tender would extend collection infrastructure to lots currently serviced by on-site treatment systems. While extending collection infrastructure to as many new users as possible is a worthwhile and important achievement it does not contribute to meeting the CCME federal wastewater effluent regulations.

The Council of the Municipality of the County of Cumberland has directed staff to engage in negotiations with the low bidder to determine if they will uphold tendered unit prices for the reduced scope proposed by “Option C” in the memorandum from CBCL “Collection System Tender Review” dated April 3, 2107(attached). The contractor has indicated that they will maintain their unit pricing.

In an effort to meet the requirements of the CCME requirements, complete this project within the schedule required by the Clean Water and Wastewater fund, and maintain the project’s current budget it is requested that permission be granted to reduce the scope of the project as detailed in “Option C”. As time is of the essence in this matter we humbly ask that a response be provided to our request prior to April 27, 2017 in order to facilitate approval of award by Council.

Sincerely,

A handwritten signature in blue ink that reads "Rennie Bugley". The signature is written in a cursive style and is positioned above a horizontal blue line that spans across the width of the signature.

Rennie Bugley  
CAO

cc. Justin Waugh-Cress, Director of Engineering and Operations  
Allison Gillis, Warden