

Memorandum

To: Council

cc: CAO/Clerk, Deputy Clerk/Treasurer/Administrative Assistant

From: Todd Gordon, EDO

Date: 12.02.2019

RE: EDO Waterfront Project Update

As council is aware, we postponed the scheduled waterfront project council update from the November 18th regular council meeting to this meeting. The CAO and I met with Seven Rock Technology (7RT) on Friday last (November 29th, 2019) for a comprehensive review. Based on that meeting, this is my report:

Project Schedule

We are behind our schedule as created in July 2019, and our drift occurred in late October and through November. Specifically, we had expected to have final designs completed by this time. Further, we had planned to have a Request for Quote (RFQ) for dock package(s) written and released by the end of October. The timeline for the wastewater component has always been less clear, and justly so, given the specific challenges around this component. However, I am personally disappointed at the delays we have encountered on this component as well.

In our discussion with 7RT, we were provided with an explanation of the factors contributing to delay, especially with respect to final construction design. The major factor is the reality that the rising water level in Lake Huron has exacerbated the deterioration of the entrance (the technical term is "abutment," so I will continue using this terminology) to the Aus Hunt Marina. In addition, the rising water is anticipated to complicate the installation of the dimensional stone along the shoreline from the AHM abutment, behind St. John's Anglican Church, to the vicinity of the White Rose Building. and all the Small Craft Basin (SCB).

For the AHM abutment, the work that MUST be done there, one way or the other, represents an expansion of scope from the original project intent. Therefore, it represents additional design, and ultimately additional cost. For the record, I am not saying that we did not anticipate some work on this piece (the abutment), but that the current reality means a complete rebuild of the abutment, rather than the anticipated remedial work.

For the rest of the shoreline (as above: along the shore in front of the Anglican Church to the White Rose Building, and around the entire SCB) this additional construction complexity is manifested in two ways:

1. Given that we are nearly at historical high water level, and that the consensus around the Great Lakes is that we are likely going to exceed historical before this current cycle abates, construction of the dimensional stone shoreline will require more attention on the land side, with potentially more excavation and replacement with appropriate aggregate. Thus, we are faced with more detailed engineering, and, very likely, higher construction cost.
2. This construction work, because of both the high water level, and the increased demand it places on construction (as in #1, above), means much of this work will have to take place in a "dewatered" environment – that is to say that, our engineering support recommends that we will have to build a barrier (a dam), pump the water out, and do the construction work. Although we have been assured that there are modern, less costly ways of performing this operation than in the past, this still represents an increased complexity and therefore increased cost.

Returning to the original schedule explanation, we have been assured by 7RT that the intent is to have construction designs, dock RFQ(s), electrical/utilities plan, AHM fuel system plan, and everything necessary to create a civic works construction tender ("civic works," - as in the construction other than dockage and wastewater treatment facility), by the week of January 6th. This information will also allow the creation of a preliminary construction staging plan, as well as the ability to have more meaningful discussion with the Ontario Ministry of Natural Resources and Forestry (MNRF) – the primary regulator with respect to in-water construction work. Furthermore, we have been assured that 7RT is completely aware of the importance of getting back on track, and the consequences should we not do so.

We also expect a preliminary engineered wastewater treatment facility (septic bed) plan. This has been facilitated by the creation of the waterfront building concept (created by Tulloch Engineering), for which the primary purpose was calculating realistic anticipated wastewater flows, which are a key component of determining the wastewater treatment (septic) bed.

Other

Although a formal dockage costing has not been conducted, both myself and 7RT have conducted a square foot-based comparison of the re-designed dock array with the costing produced in the previous engineering design. Because there have been additions to, and subtractions from, the earlier design - in terms of square footage - we expect dockage cost to be very similar to that which was earlier projected: \$400,000 plus.

It is also worth noting that the dockage cost, as it currently presents itself, represents considerably more than projected in the funding applications (submitted in 2017). In our re-design efforts – post April 2019 – this reality has caused us considerably less anxiety, because we believe we are going to spend considerably

less than we anticipated on remedial work on the AHM main dock. However, given the realities discussed above (AHM abutment, and shoreline wall), there are still serious cost pressures on this project taken as a whole.

Follow-Up

I expect to have an in-depth reality-checking discussion with council regarding this project by the 2nd week in January, in whatever format (special meeting?) we need to have to facilitate this.

Summary

We are behind schedule.

We expect to get back on schedule: design phase completed by early January, transitioning to construction tendering/RFQs

There are significant pressures on cost for this project, relative to the funding we have currently available.

This is what I know. As always, I will attempt to answer questions to the best of my ability.

Submitted respectfully,

Todd Gordon, EDO

Glossary

AHM: Aus Hunt Marina

SCB: Small Craft Basin

Wastewater: Technical/Industry term for 'septic system'

Dewatering: removing and keeping the water out of part of a waterbody to facilitate proper construction

Our Funders and Amounts

FedNor:	\$817,916
The Northern Ontario Heritage Fund (NOHFC):	\$1,000,000
Budgeted township funds (in reserve):	\$227,414
Total project cost, as applied for:	\$2,045,330

RFQ versus Tender

A request for Quote (RFQ) – asking a service or product provider to submit a formal cost quotation. It is different from a “tender” in multiple ways: A tender usually implies more complexity in the service being provided, and the scope of the work (for example, all the multiple components involved in completing the “civil works” versus quoting on the manufacturing, delivery, and installation docks). Also, a quote implies the expectation of fixed cost, whereas a tender process is intrinsically open to some change, negotiated through change orders, amendments, etc.

I provide a table below which may be helpful in understanding differences between RFQs and a tender process (<https://keydifferences.com/difference-between-quotation-and-tender.html>):

BASIS FOR COMPARISON	QUOTATION	TENDER
Meaning	Quotation is a document of setting out the estimated cost, for supplying goods or services or procuring something.	Tender refers to a process of soliciting suppliers, to bid on the goods or services needed by the buyer.
Response to	Request for Quotation	Request for Tender
Components	Price	Price and Quality
Scope	Narrow	Comparatively Large