



# Staff Report

## Request for Decision

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**TO:** Committee of the Whole – July 10, 2025

**AUTHOR:** Jesse Waldorf, Manager, Capital Projects

**SUBJECT:** **South Pender Harbour Watermain Replacement - Contract Amendment**

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### OVERVIEW

#### Purpose of Report:

The purpose of this report is to request Board decision to proceed with an amendment to Contract 2536602-1 with N.B. Contracting Ltd. (NB) for additional excavation services in the emergency watermain repair and replacement on the South Pender Harbour Watermain Replacement Project. This report requests Board decision to accept, reject, or provide alternate direction with respect to staff's recommendations as presented below.

#### Recommendation(s):

- (1) THAT Contract No. 2536602-1 awarded to N.B. Contracting Ltd. for excavation services on the South Pender Harbour Watermain Replacement Project, be increased by \$91,883 for a total contract value not to exceed \$160,283 (excluding GST);**
  - (2) AND THAT the delegated authorities be authorized to execute the contract amendment.**
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### BACKGROUND

The South Pender Harbour Watermain Replacement Project was approved for the purpose of replacing and upgrading undersized asbestos cement waterlines located on Francis Peninsula Road from Pope Road to Rondevue Road. This approximately 580 meter section was selected for replacement as means of improving system reliability and improving protection in that portion of the South Pender Water Service Area.

At the January 13, 2022, Regular Board meeting the South Pender Harbour Watermain Replacement Budget of \$600,000 was approved as follows:

005/22      **Recommendation No. 54**    *South Pender Harbour Water Service [366] – 2022*  
(in part)    *R1 Budget Proposals*

THAT the report titled 2022 Round 1 Budget Proposal for South Pender Harbour Water Service [366] be received for information;

AND THAT the following budget proposals be approved and incorporated into the 2022 Round 2 Budget:

- Budget Proposal 1 – South Pender Harbour Watermain Replacement, \$600,000 funded \$540,000 from Community Works Fund Gas Tax and \$60,000 from Capital Reserves;

At the time of budget approval it was recognized that the approved budget may not be sufficient to replace all watermain within the project area and that the site conditions and pricing of labour and materials required to address them would determine what could be replaced given the approved budget. At the time of budget approval, it was not yet clear which part of the project area was the highest priority to address first.

## **DISCUSSION**

Since budget approval, staff have been working on the engineering design, archeological assessments and permit, and Ministry of Transportation and Transit permits to complete the entire project area. In early 2025 staff confirmed which sections of watermain within the project area would be replaced in 2025.

Following a large watermain break on March 4, 2025, located at the intersection of Francis Peninsula Road, Murdoch Road, and Beaver Road in Pender Harbour, the watermain replacement project in that area became an urgent priority. This entire area is located within the area already selected to be replaced in 2025. The scope of work includes decommissioning and replacing the existing 150 mm diameter asbestos cement watermain with a more resilient 200 mm diameter ductile iron main. This upgrade addresses both the structural vulnerability and limited capacity of the existing Asbestos Cement pipe by introducing a larger more durable alternative. As a result, the increased pipe diameter will also enhance fire flow capacity, thereby improving fire protection within the service area.

This section of Francis Peninsula Road from Pope Road to Beaver Road represents over 350 meters of new main, 18 service connections, one hydrant, and five valves that connect the main to the existing Pope Road main and Beaver Road main. The failed and failing A/C watermain were replaced and connections restored to the 18 services, and two connecting mains.

There remains approximately 230 meters of A/C main along Francis Peninsula from Beaver Road to Rondevue Road. This section is also expected to also be a challenging section from both geotechnical and archaeological aspects.

A contract for excavation services was awarded to NB for emergency roadway excavation, embankment, and compaction. As the original contract value was less than \$100,000 no additional Board approval was required for the execution of that project. The installation and replacement of the watermain pipe was completed internally by Sunshine Coast Regional District (SCRD) Utilities Operations staff with NB providing excavation support.

Since the award of the contract to NB in March 2025, NB has been required to perform additional work over a longer period of time than originally anticipated. This was due to unforeseen site conditions, including harder soil and rock formations, as well as the need to assist with blasting preparation for these challenging surfaces.

As a result of these project requirements, additional funds are required to support the extended excavation services provided by NB on the South Pender Harbour Watermain Replacement Project.

## FINANCIAL IMPLICATION

The total available budget for this project is \$600,000. The following table presents the budget implications of the proposed contract amendment.

<b>South Pender Harbour Watermain Replacement</b>	<b>Cost</b>	<b>Budget</b>
<b>Approved Budget (2022) 005/22/54</b>		<b>\$600,000</b>
N.B. Contracting Ltd. (Contract 2536602-1)	\$68,400	
Blasting Services	\$27,311	
Engineering Services	\$19,025	
Archaeological Monitoring	\$26,227	
Misc. Expenses	\$61,759	
Estimated Paving Costs	\$220,000	
Materials and Pipe (Estimate)	\$50,000	
<b>Current Remaining Budget</b>		<b>\$127,278</b>
Proposed amendment for additional work with NB	\$91,883	
<b>Revised remaining budget after proposed amendment</b>		<b>\$35,395</b>

It should be noted that since budget approval cost for materials and labour for both the SCRD and contractors has increased significantly. The total cost per linear length for this project is about 20% more than those for the watermain replacements within the South Pender Water Service completed in 2018 - 2019.

Staff will consider preparing a 2026 budget proposal for at a minimum the replacement of the remaining 230m watermain within the project scope.

## STRATEGIC PLAN IMPLICATIONS

This initiative/proposal can be seen as supporting the Strategic Focus Area of Water Stewardship in the Board's 2023 - 2027 Strategic Plan.

## **TIMELINE**

If directed to do so by the Board, staff will proceed with the execution of the amended contract and complete the outstanding activities required to complete this project.

## **SUMMARY AND CONCLUSION**

Staff recommend Contract 2536602-1 with N.B. Contracting Ltd. be amended to include additional services in the amount of \$91,883 (excluding GST) for the excavation services of the South Pender Harbour Watermain Replacement Project for a total contract value up to \$160,283 (excluding GST).

Reviewed by:			
Manager		Finance	X - A. Taylor
GM	X - R. Rosenboom	Legislative	
CAO	X - T. Perreault	Purchasing & Risk	X - V. Cropp