

**The Corporation of the Town of Deep River**  
**REPORT**  
**2022-PW-005**

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**Council Meeting Date: May 4, 2022**  
**Council Meeting Time: 6:00 PM**  
**Council Meeting Place: Electronic Meeting**

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**Subject: Water Tower Rehabilitation**

**Author: Dave McCarthy, Infrastructure and Contract Manager**

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**RECOMMENDATION(S):**

**BE IT RESOLVED THAT** report number 2022-PW-005 **Water Tower Rehabilitation** be received,

**THAT** Council award the contract to Landmark Municipal Services ULC in the amount of \$2,379,454.08 including non-rebate portion of HST for the water tower rehabilitation project,

**THAT** an additional budget of \$261,897.12 including non-rebate portion of HST be added for engineering, design, tender, project management and inspection, and

**THAT** staff be directed to report back to Council with a specific funding strategy consisting of both debenture and other sources of funding for approval

**BACKGROUND:**

The Water Tower Rehabilitation Project will be a continuation of the work that originally began in 2013, which consisted of repairing a leak by welding the outside of the Tower and coating it with epoxy to protect the steel. During the 2013 project the Tower was taken offline and drained which allowed for a complete inspection to determine the current condition and the resulting necessary work was scheduled to be completed in 2014.

The scope of the project identified for 2014 focused primarily on replacement of the interior lining and safety compliance issues such as exterior ladder, fall prevention systems, hand rails and guard rails. It did include a relatively small amount of exterior coating touch up work. Landmark Municipal Services, through E3 Laboratories Inc., conducted an analysis of the paint on the interior and exterior of the Tower which concluded that both coatings contained lead. The results of the paint samples, changed the scope of the project to include lead abatement for relining portion of the project. It must be noted that after sandblasting the blast media was tested for lead content and came in under the threshold that would require that it be disposed of as hazardous waste.

The exterior “touch up” work that was included in the 2014 project was clearly identified as a temporary intervention in an effort to slow down the deterioration of the exterior coating. In the approximate 65-year life of the water tower the exterior has been re-painted several times but has never had any of the previous or original coatings removed.

A water tower rehabilitation project to remove all coating and re-coat the exterior was proposed and approved as part of the 2022 Capital Budget. The project was approved with a project budget of \$1,500,000.00 which was based on a budgetary estimate of just under \$1.2 million plus and additional \$300,000 for design, engineering, testing, project management and contingency. The scope of this project was determined through conducting a Water Tower Condition Assessment in 2021, which outlined the need for the complete removal and replacement of the exterior coating system via abrasive blasting including steel inspection and repairs as required, complete with the installation of a temporary scaffolding and hoarding system on the exterior of the tank. As well as, necessary life safety upgrades, cable management and temporary relocation of existing antennas and site restoration and return of all systems in full operational condition.

Once approved the initial stages of the project commenced with project design and procurement. CIMA+ were contracted to undertake this work and prepared a project scope and tender process. As part of the design work an additional two paint sample tests were completed in 2022 to ensure the scope of the project and confirm the required lead abatement, hoarding system and potential hazardous material removal.

Staff issued a request for prequalification (RFPQ) for the Water Tower Rehabilitation Project, which resulted in three companies’ submissions being deemed qualified. Following the RFPQ staff issued a request for tender (RFT) (Attachment 1) for the provision of this service with a closing date of April 27<sup>th</sup>, 2022.

Town staff are currently in discussion with CNL for all municipal water system projects including the water tower, CNL rate review and THM project. As these projects are interrelated and there is some overlap between projects the exact funding structure is unclear at this time.

**RATIONALE:**

The proposed Water Tower Rehabilitation Project will complete a long-standing project to provide an increased aesthetic value to the Town as well as protecting the structural integrity of the tower and reducing maintenance costs.

The water tower, located at the intersection of Highway 17 and Deep River Road, is a main focal point of the community and the proposed rehabilitation will potentially synchronize the look of the tower with the newly adopted rebranding of the Town.

Furthermore, the Water Tower Rehabilitation Project will utilize proper preventative paint which will prolong the tower’s life with a high-quality paint job, not only keeping the tower looking great but also slowing the adverse affects of the weather, pollutants and other external elements.

Aside from protecting and beautifying the water tower, the proposed rehabilitation will save on maintenance costs since the scope of the project consists of using special protective coatings to prevent the steel tank from corroding, therefore helping to preserve the structural integrity. Note; the Tower Assessment in 2021 and specialists in this field have stated that the Town’s water tower is still extremely structurally sound and this rehabilitation will greatly extend the life of the tower.

The project cost is significantly higher than anticipated which is believed to be driven by the “COVID” factor and more recently the large increase in the price of fuels. The approximate 2% differential in the bids suggests that the scope has been well defined and that this is a small competitive niche market with very few contractors. This is further supported by the pairing of two of the proponents to submit one joint bid. Please see Attachment 4 for CIMA+ Tender Analysis and Recommendation.

**OTHER ALTERNATIVES CONSIDERED:**

Consideration was given to going back out to market if we did not have a reasonable and competent proposal. This has not been recommended as it is believed that the prices for work on municipal water towers is going to continue to increase at least for the foreseeable future and then level off.

Repair vs Replace was also considered but has not been recommended due to the high quality of structural integrity remaining with the existing tank and the extended life span that this project is expected to provide. When compared to the cost of replacement (\$6-12 million) which is also rapidly rising a re-coating project combined with annual asset management strategies would extend the life of this tower by at least 40 to 60 years.

**FINANCIAL CONSIDERATIONS:**

The original budget for this project that was approved as part of the 2022 Capital budget was \$1.5 million.

The following are the two bid submissions;

<b>Company</b>	<b>Total Amount (tax excluded)</b>
BGL Contractors Corp & JDCMI Inc	\$2,378,712
Landmark Municipal Services ULC	<b>\$2,338,300</b>

**STRATEGIC AREAS OF FOCUS:**

This project aligns with the strategic area of focus of **Transparent, Fair and Effective Governance** by ensuring transparency within Town procurement. Ensuring effective and efficient operations will support **Quality, Reliable & Sustainable Infrastructure** while helping to provide for capacity for **Increased Population**.

**CONSULTATIONS:**

CIMA+

**ATTACHMENTS:**

Attachment 1 – RFT for The Deep River Water Tower Rehabilitation 2022-RFT-002

Attachment 2 – BGL Contractors Corp RFT Submission

Attachment 3 – Landmark Municipal Services ULC RFT Submission

Attachment 4 – CIMA+ Tender Analysis & Recommendation