

Staff Report

Report To: Council
Report From: Geoff Aitken, CET – Manager of Public Works
Meeting Date: October 3, 2023
Subject: IPW-2023-14 – Neustadt Water Tower – Repainting Contract

Recommendations:

That in consideration of staff report IPW-2023-14 – Neustadt Water Tower-Repainting Contract, council directs staff to proceed with repainting the Neustadt Water Tower at a cost of \$1,408,780 plus contract administration fees, site inspection fees, and net HST.

Highlights:

- The Neustadt water tower is a key component of the Neustadt drinking water system.
- The Neustadt water tower ensures adequate pressure for the users and provides fire protection for the community.
- This is the first re-painting of the Tower since its commissioning in 1996.
- Failure to paint the Tower now will result in further deterioration of the tower to a point where it may not be salvageable, leaving replacement as the only alternative.

Previous Report/Authority:

None.

Analysis:

The tender for repainting the Neustadt water tower closed on August 30, 2023 at 3 p.m. A total of four bids were received ranging in price from \$1,408,780.00 to \$2,145,989.50 plus contract administration, site inspection and HST. The low tender was received from Dyson Industrial Services (DIS). The approved budget for this project is \$1,000,000.

What is unique about this project, and by extension the tender, are the provisional items, specifically the items related to sandblasting. At the heart of the issue is the existing paint itself and its contents, i.e. lead. The original drawings for the construction of the

tower itself do not identify what paint was used. By 1996 lead paint had been banned from production; however, some suppliers had some in storage. There are no known approved shop drawings from 1996 confirming the lead content to be zero.

Therefore, upon awarding the tender, the first course of action is for the successful proponent to take a sample of the paint and have it tested for lead. If the sample confirms the paint is lead free, all the provisional items such as scaffolding, total enclosure, sandblasting and disposal of lead waste can be removed from the contract reducing the tender amount to \$851,880 plus contract administration, site inspection and HST.

Financial Implications:

The 2023 capital budget included \$1,000,000 expenditure to be funded \$34,450 from water user fees, \$175,000 from OCIF grant funding and the balance to be financed.

If it is determined that lead is not an issue, the project can proceed with the low tender, within budget, at a cost of \$851,880 plus contract administration, site inspection and net HST. No additional funds would be required. It should be noted that \$790,550 is being financed through a bank loan.

If it is determined that the paint contains lead, then additional funds are required as the tender would be for the full amount of \$1,408,780 plus net HST. The balance would need to be financed with a larger loan.

Communication Plan:

Communication of this report is through the posting of the council meeting agenda on the Municipality of West Grey website.

Consultation:

Supervisor, Urban Operations

Director, Finance

Director, Infrastructure and Development/CBO

Chief Administrative Officer

Attachments:

Letter correspondence from GSS dated September 20, 2023

Recommended by:

Geoff Aitken CET, Manager of Public Works

Karl Schipprack, Director, Infrastructure and Development/CBO

Submission approved by:

Laura Johnston, Chief Administrative Officer

For more information on this report, please contact Geoff Aitken, CET, Manager of Public Works at publicworks@westgrey.com or (519) 369-2200 x 227.