



STAFF REPORT

Title: 2020 Capital Budget Amendment - Building #10 Fire Pump Replacement Project

Meeting Date: June 9, 2020

Executive Summary:

In 2017 Council allocated a budget of \$200,000 for Building #10 Fire Pump Replacement Project. During the pump replacement design process, it was found that the existing electrical systems at the Building #10 reservoir would not sustain the necessary equipment. The scope of the project required a modernization of the electrical systems. In 2019 Council therefore allocated an additional \$700,000 making the total budget \$900,000.

The tender closed for Building #10 Fire Pump Replacement Project on May 19 2020. All bids came over budget and the budget deficit is \$452,000 for the full scope inclusive of a 10% construction contingency. The scope is largely due to a proposed scope enhancement of adding a backup generation to the facility.

Administration is requesting a Capital Budget amendment to increase project funding by \$452,000 by allocating \$452,000 from the Gas Tax Fund.

Background:

In line with the improvements identified by the Water Master Plan, the Building #10 Fire Pump Replacement project was initiated to replace the existing natural gas fueled fire flow pump which has become inefficient, is unable to meet the fire flow demand in Cold Lake South, and has reached its life cycle. During the pump replacement design process, it was found that the existing electrical system in Building #10 also needed an upgrade to sustain the necessary equipment.

Neither of the reservoirs in Cold Lake South (Building #7 and Building #10) have a standby generator to support backup power during a power outage. Consequently, a generator and secondary feed was added to the scope of work for the Building #10 Fire Pump Replacement project as a provisional item. All necessary additions to the initial scope made the project over budget. This scope can be removed from the budget if Council does not authorize the enhancements; the impact would just mean power outages in Cold Lake South that would impact the water distribution system (as it currently does). The Cold Lake North Reservoir already has a back-up generation package.



Administration is of the opinion it would be prudent to execute the Building #10 Fire Pump Replacement project at full scope to allow provisions for backup power during a power outage in Cold Lake South.

Alternatives:

Council may consider the following:

1. Pass a motion to allocate additional \$452,000 to Building #10 Fire Pump Replacement Project by transferring \$452,000 from the Gas Tax grant.
2. Reject a motion to allocate additional \$452,000 to Building #10 Fire Pump Replacement Project by transferring \$452,000 from the Gas Tax grant. The administration will have to either reduce the scope (remove backup power generator) or cancel the tender until additional funds are available.

Recommended Action:

Administration recommends that Council pass a motion to allocate additional \$452,000 to the Building #10 Fire Pump Replacement Project by transferring \$452,000 from the Gas Tax Grant. This will amend the 2020 Capital budget from \$9,005,390 to 9,457,390.

Budget Implications (Yes or No):

Yes

Submitted by:

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