



**The Corporation of the
City of Sault Ste. Marie**

C O U N C I L R E P O R T

May 12, 2025

TO: Mayor Matthew Shoemaker and Members of City Council
AUTHOR: Carl Rumiel, Director of Engineering
DEPARTMENT: Public Works and Engineering Services
RE: West End Treatment Plant Phase 1 – Engineering Fee
Addendum

Purpose

The purpose of this report is to request Council approval to increase the construction administration budget related to Phase 1 of the upgrades at the West End Sewage Treatment Plant.

Background

At the May 16, 2016 meeting, Council approved an Engineering Agreement with AECOM for consulting engineering services related to the West End Sewage Treatment Plant Phase 1 Upgrades. The current approved engineering fee budget is \$5,239,385. At the June 8, 2020 meeting, Council approved awarding the contract to Maple Reinders Constructors Ltd. (Maple) through a competitive bid process at a value of \$31,440,700. The original total approved budget for this project was approximately \$37.6M.

Analysis

The project's original projected substantial completion date was June 30, 2022. Numerous unforeseen issues related to the existing sewage treatment plant equipment extended the completion date to November 30, 2022, and ultimately, Maple attained substantial completion on February 28, 2023. There are also numerous deficiencies and construction items that are still outstanding in the project. AECOM has remained committed to administering the contract until its final completion. While continuing with contract administration tasks years past the initial projected completion date, other remaining budgets for items such as UV disinfection and aeration studies, as-constructed drawings, and effluent water system upgrades have been used up by the added contract administration costs. Additional fees are now required to complete those critical engineering tasks and bring the project to a close.

To complete this project, AECOM requires additional fees for engineering, contract administration, and inspection related to various unforeseen extras, construction deficiencies, unfinished work, and the studies and tasks listed in the previous

paragraph. The additional fee request is \$315,000. To offset some of these added costs, the City can recover approximately \$20,000 in holdbacks from Maple Reinders for the electrical as-built work that they were to complete as part of the contract that AECOM will now complete. Therefore, the total increase to the project budget is \$285,000, bringing the engineering fee budget to approximately \$5.524M, which represents 14.5% of the overall project cost and is in line with acceptable industry ratios for engineering on an infrastructure project of this type.

Financial Implications

When non-recoverable HST is added, cost to complete the additional engineering is estimated to be approximately \$290,000 which can be covered within the emergency sanitary sewer allowance from the 2025 Sanitary Sewer budget.

Strategic Plan / Policy Impact / Climate Impact

The report links to the Strategic Plan focus area of Infrastructure, and specifically maintaining existing infrastructure.

Recommendation

It is therefore recommended that Council take the following action:

Resolved that the report of the Director of Engineering dated May 12, 2025, concerning West End Treatment Plant Phase 1 – Engineering Fee Addendum be received and that \$290,000 be added to the City's engineering agreement with AECOM.

Respectfully submitted,

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