

# Staff Report

Presented By: Colin Saunders, Project Manager

Meeting Date: July 7, 2025

Subject: Fund Transfer for Southampton WPCP Upgrades and Expansion

Attachment(s): Ainley Tender Analysis Report

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## **Recommendation**

That Council approve \$2,300,000.00 in additional funding for the Southampton WPCP Upgrades and Expansion project (410-86740), funded by a transfer from the Port Elgin Reservoir Generator and Electrical (430-86389) and Southampton SPS 3 Upgrades (410-86744).

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## **Report Summary**

The Southampton WPCP Upgrades project requires approval of a \$2,300,000.00 funds transfer. This report outlines the rationale for this transfer of funds.

## **Background/Analysis**

The Southampton Water Pollution Control Plant (WPCP) is scheduled for an upgrade and expansion. With the housing growth in the capture area of the plant and the age of some of the infrastructure the need to expand and upgrade the plant was reviewed.

The complexity of the project required a Schedule "C" Class Environmental Assessment. (EA) and Council approved the recommendation to start the EA in 2018. The Environmental Services Report (ESR) for the EA was presented to the Committee of the Whole on [April 25, 2022](#) and accepted by Council on May 9, 2022. This report gave the preferred solutions on the upgrades at the plant for the next 30 years. The next step was for Ainley to work on the detailed engineering and tender documents. This process was completed with the construction tender closing on May 29, 2025.

Ainley reviewed the tender and provided a report on their analysis and recommendations, (attached).

The Ainley report outlines the tendering process, work to be completed in the construction contract, the extra cost in the tender compared to the engineering estimate and recommendations.

## Financial Summary

The tender from Stone Town Construction is \$17,054,045.50. There is a contingency allowance of \$1,705,400.00, engineering costs of \$941,053.00, internal consultant \$49,501.50 and third-party testing of \$50,000 for a total of \$19,800,000.00.

The budget for this project is \$17,500,000.00. With the revised costing for the project at \$19,800,000.00 this makes a shortfall of \$2,300,000.00

**Table 1:** Budget and Tender Costs

Project#	Descriptions	Approved Budget	Project Cost	Difference
410-86740	Southampton WPCP Upgrade and Expansion	\$17,500,000.00	\$19,800,000.00	\$(2,300,000.00)

The Port Elgin Reservoir Generator project is no longer considered an option for the long-term planning. A report was brought to the Committee of the Whole by the Director of Operations at the [April 8, 2024](#) meeting outlining the rational for not moving forward with this project, and as expected, the early findings of the Water and Wastewater Master Planning Study indicate that system storage capacity for growth should be addressed, and multiple water distribution alternatives should be considered, already addressed in future years of the Business Plan The budget for this project is \$1.3 million dollars.

Sewage Pump Station (SPS) #3 in Southampton is experiencing lower pumping rates. Further investigation revealed that the restriction area is in the existing force main to the Southampton WPCP and that rehabilitation of the main is the best option. The project included installing a second force main from SPS #3 to the Southampton WPCP. The budget for the second force main is \$1,100,000.00 and is determined to no longer be necessary. \$100,000.00 of this budget would be retained as it is expected to be needed for future SPS 3 upgrades.

Transferring the excess funding from these two projects to the Southampton WPCP Upgrades would cover the shortfall of \$2,300,000.00.

The Town has applied for \$13.8 million under the Canadian Housing Infrastructure Fund for this project, but it has not yet been determined if this application was successful. Council will be updated on grant funding and grant opportunities will continued to be pursued for this project as needed.

**Table 2: Transfer Request for Southampton WPCP Upgrades and Expansion Project**

<b>Project</b>	<b>Approved Budget</b>	<b>Budget needed for Project</b>	<b>Surplus</b>	<b>Transfer Request to Southampton WPCP Upgrade and Expansion</b>
PE Reservoir Generator and Electrical, (430-86389)	\$1,300,000.00	\$0.00	\$1,300,000.00	\$1,300,000.00
Southampton SPS #3 Upgrades (410-86744)	\$1,100,000.00	\$100,00.00	\$1,000,000.00	\$1,000,000.00
<b>Total Net Transfers</b>				<b>\$2,300,000.00</b>

### **Linkages**

- Strategic Plan Alignment: Pillar 1: Meeting the Needs of a Growing Community
- Business Plan Alignment: Operations Major Initiative

### **Financial Impacts/Source of Funding**

Increased funding in the project is contained through budget transfers as outlined

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Prepared By: Colin Saunders, Project Manager

Reviewed By: Matt Prentice, Director, Operations

Approved By: Kara Van Myall, Chief Administrative Officer