

Town of Drumheller COUNCIL MEETING AGENDA

**October 17, 2016 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, Alberta**



Page

1.0 CALL TO ORDER

2.0 MAYOR'S OPENING REMARK

2.1 Notice of Organizational Meeting on October 31, 2016 at 4:30 pm

3.0 PUBLIC HEARING

3-6

3.1 Public Hearing to consider Bylaw 14.16 being a bylaw to amend the Land Use Bylaw 10.08 by redesignating Lot 11, Plan 3867HU within the SW-1/4 28-28-19-W4M in the Rosedale District from "UT" Urban Transitional District to "R-CH" Residential Cottage Housing District

4.0 ADOPTION OF AGENDA

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

7-13

5.1.1 Regular Council Meeting Minutes of October 3, 2016

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.3. BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

6.1 Travel Drumheller Update - Alyssa Berry

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1. CAO

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

- 8.2.1 Request for Decision - Aquaplex Modernization - General Construction and Retrofit
- 8.2.2 Request for Decision - Aquaplex Modernization - Myrtha Systems Installation

8.3. DIRECTOR OF CORPORATE SERVICES

8.4. DIRECTOR OF COMMUNITY SERVICES

8.5. DIRECTOR OF PROTECTIVE SERVICES

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

10.0 PUBLIC HEARING DECISIONS

- 10.1 Bylaw 14.16 - second and third readings

11.0 UNFINISHED BUSINESS

12.0 NOTICE OF MOTION

13.0 COUNCILLOR REPORTS

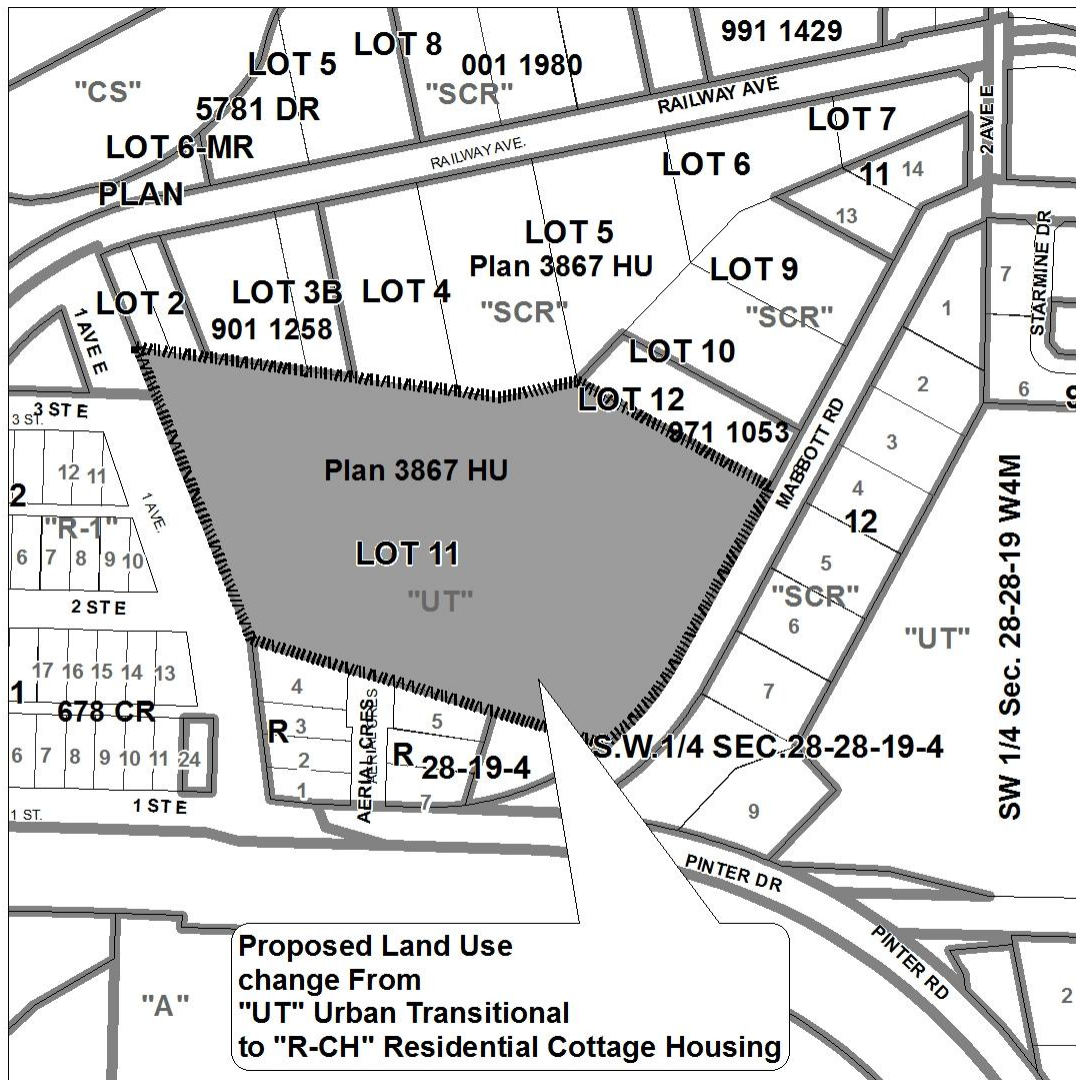
14.0 IN-CAMERA MATTERS

... **TOWN OF DRUMHELLER** *Agenda Item # 3.1*

NOTICE OF PUBLIC HEARING

BYLAW 14.16 PROPOSES TO AMEND LAND USE BYLAW NO. 10-08

PURPOSE: The purpose of Bylaw 14.16 is to consider an application to amend Land Use Bylaw No.10-08, Schedule A, The Land Use District Map, by re-designating Lot 11, Plan 3867 HU within the SW ¼ Sec. 28-28-19 W4M in the Rosedale District within the Town of Drumheller, from "UT" Urban Transitional District to "R-CH" Residential Cottage Housing District, as shown on the plan below.



PRESENTATION: A Public Hearing will be held in the Council Chamber, Drumheller Town Hall, located at 224 Centre Street, on October 17th, 2016 commencing at 4:30 p.m. Town Council will hear from any person claiming to be affected by the proposed bylaw. The time limit of oral presentations is subject to the direction of the Chairperson.

Persons wishing to submit a letter, petition or other communication concerning these matters in advance of the Public Hearing, may do so provided they are legibly written. Submissions will be received up to 4:00 p.m. on October 17th, 2016. Submissions should be addressed to: The Town of Drumheller, 224 Centre Street,

...

Agenda Item # 3.1

Drumheller, Alberta T0J 0Y4. Please be advised that the personal information in submissions made, is collected under the authority of the Alberta Freedom of Information and Protection of Privacy Act, Section 33(c) and subsequent versions of the Act. All submissions provided to the Town Council will be publicly available, in accordance with Section 40(1) of the FOIP Act.

DOCUMENTATION: A copy of the proposed bylaw may be inspected by the public during regular office hours, from 8:00 a.m. – 4:30 p.m., at the Town Hall, located at 224 Centre Street, Drumheller.

This notice is given pursuant to Sections 606 and 692 of the Municipal Government Act.

First Publication: September 30

Second Publication: October 7

Chief Administrative Officer

TOWN OF DRUMHELLER

BYLAW NUMBER 14.16

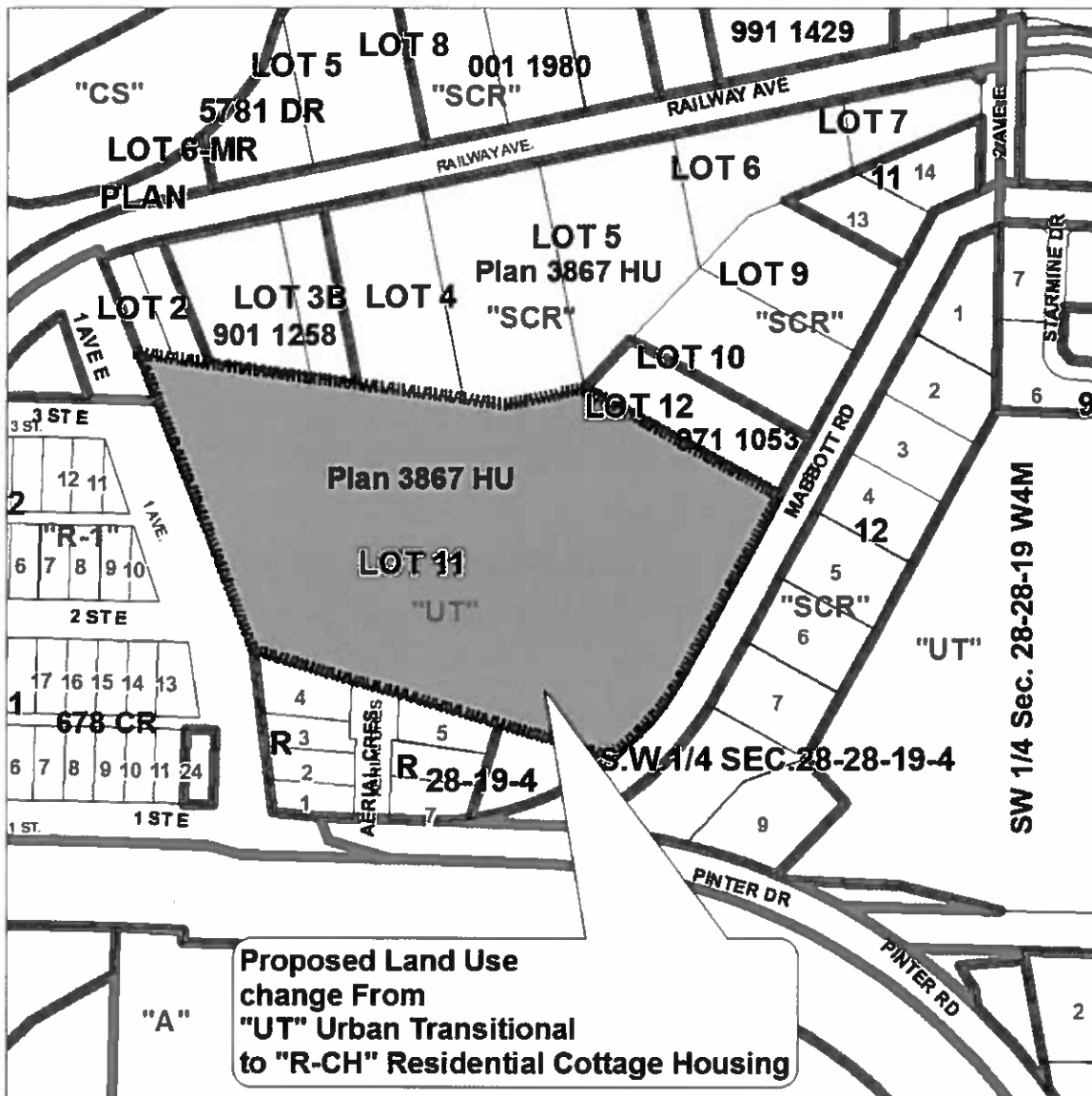
BEING A BYLAW TO AMEND LAND USE BYLAW NO. 10-08 FOR THE TOWN OF DRUMHELLER IN THE PROVINCE OF ALBERTA.

WHEREAS pursuant to the provision of Section 639 of the *Municipal Government Act*, RSA 2000, Chapter M-26, the Council of the Town of Drumheller (hereinafter called the Council), has adopted Land Use Bylaw No. 10.08;

AND WHEREAS the Council deems it desirable to amend Land Use Bylaw No. 10-08; and

NOW THEREFORE the Council hereby amends Land Use Bylaw No. 10-08 as follows:

On Schedule "A", the Land Use District Map, redesignate Lot 11, Plan 3867 HU within the SW ¼ Sec. 28-28-19 W4M in the Rosedale District of the Town of Drumheller, from "UT" – Urban Transitional District to "R-CH" – Residential Cottage Housing District, as shown on the plan below:



READ A FIRST TIME THIS 22 DAY OF AUGUST, 2016

READ A SECOND TIME THIS ___th DAY OF _____, 2016.

READ A THIRD TIME AND PASSED THIS ___th DAY OF _____, 2016.

MAYOR

CHIEF ADMINISTRATIVE OFFICER

Agenda Item # 5.1.1

Town of Drumheller COUNCIL MEETING MINUTES

October 3, 2016 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, AB, T0J 0Y4



PRESENT:

MAYOR:
Terry Yemen

COUNCIL:

Jay Garbutt
Lisa Hansen-Zacharuk
Patrick Kolafa
Tara McMillan
Sharel Shoff
Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Darryl Drohomerski

DIRECTOR OF CORPORATE SERVICES:

Barb Miller

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

INFRASTRUCTURE TRANSITION OFFER:

Allan Kendrick

RECORDING SECRETARY:

Linda Handy

ABSENT:

1.0 CALL TO ORDER

Mayor Terry Yemen called the meeting to order at 4:30 PM. He advised that Linda Traquair was in attendance to provide an overview on the Alberta 55 Plus Provincial Games held in Drumheller from September 29th to October 1st with the main venue being the Badlands Community Facility. She sent kudos to the Darren Goldthorpe and the staff at BCF, Rose Poulson, Judy Quinton-Arvidson, Darryl Drohomerski and the staff at Public Works for all their hard work. She stated that she heard numerous comments on how fortunate Drumheller was to have the BCF and she noted that

...

without the facility, Drumheller would have not been able to host the Alberta 55 Games. She recognized a list of organizations, businesses, merchants, the DVSS and the shuttle service which contributed to the success of the event. She reported that Drumheller had four medal winners - Ian Jones and Bob Friesen took gold in the men's double pickleball and two snooker winners - Marcel Lablanc in the 55 plus category and Al Bremer in the 70 plus category. She advised that there were 275 zone winners in 18 competitions. She explained that of the 8 zones in Alberta, and when using the Olympic counting system (of which the organization follows) Drumheller is in Zone 2 with a final standing of a bronze position. She reported on the economic benefits - each participant paid \$65 to the organization to be a participant in the games totaling \$18,500 and all but \$3,000 of that amount was spent in Drumheller. She noted that Mayor Yemen provided greetings at the Opening Ceremony.

Mayor and Council thanked Linda Traquair for her efforts in bringing the games to Drumheller and for being the key organizer of the event.

2.0 MAYOR'S OPENING REMARK

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2016.128 McMillan, Shoff moved to adopt the agenda as presented. Carried unanimously.

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Regular Council Meeting Minutes of September 19, 2016

Amendment: Councillor P. Kolafa noted that MO2016.126 and MO2016.127 were reversed as well as the mover seconder names recorded incorrectly and should read as follows:

MO2016.126 Kolafa, Hansen-Zacharuk moved to revert back to Regular Council Meeting at 6:52 PM. Carried unanimously.

MO2016.127 McMillan, Garbutt moved to approve the employment contract with CAO Ray Romanetz as presented by the Mayor. Carried unanimously.

MO2016.129 Kolafa, McMillan moved to adopt the Regular Council Meeting minutes of September 19, 2016 as amended. Carried unanimously.

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.2.1 Municipal Planning Commission Meeting Minutes of September 1, 2016

5.3. BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1. CAO

8.1.1 RFD - Extension to ATCO's Spray Park Agreement

R. Romanetz advised that On October 31ST, 1991 the Town of Drumheller and ATCO Electric (formerly known as Alberta Power Limited) entered into a 25 year lease for the land where the Rotary Park is situated. He further advised that the lease agreement will expire on October 31, 2016. The Town would like to renew the agreement in accordance with Clause 16 for a further 25 years. ATCO Electric has asked that an additional clause be included in the agreement that would allow ATCO to utilize an access road (as identified on the attached drawing) to complete their work. ATCO will make efforts to reduce damage caused to the site access road however if damage occurs to the identified access road, ATCO will not be responsible for the cost of repairs. Administration is recommending that Council approve the extension to the agreement subject to the additional clause requested by ATCO.

MO2016.130 Garbutt, Zariski moved that Council approve an extension to the Lease Agreement for the former APL Drumheller Plant Site with ATCO Electric for a further 25 years subject to the addition of a Clause to allow ATCO to utilize the access site road and further that the Town be responsible for any damages to the access site road.

In response to a question from Council, R. Romanetz explained that the access road is identified on the drawing as prepared by Hunter Survey Systems which now provides clarity should there be a difference of opinion on its location. R. Romanetz advised that any work on projects is limited to the surface and if there is work that goes beyond the depth identified in the lease, approval is required. Councillor J. Garbutt noted that as Rotary Club marks its 100 year anniversary and another project or upgrades to the Spray Park are discussed, they will ensure that the footprint will not be expanded close to the Aquaplex as there is limited room.

Vote on Motion:

Carried unanimously.

8.1.2 Direction - Request for In-Kind Assistance at the Golf Course

R. Romanetz advised that Administration met with Golf Course staff who have requested in-kind support from the Town for use of equipment and labour to demolish the old club house / restaurant and filling septic tank holes. He further advised that a

period of 8 - 10 days is required to complete this work. He stated that although Council has given the CAO the authority to work with various groups in the community on in-kind projects, this request is more substantive and direction from Council is required. He further explained that the intention would not be to set a specific date and do all the work at once but to provide the equipment and manpower when time permits and the equipment is available. He further stated that the Town would ensure immediate core services are dealt with first. He explained that a policy as set by Council allows for a tax credit on the tipping fees at the landfill for demolition materials. He further explained that the Town has not provided in-kind work for the golf course since the back nine was constructed with a box culvert installation under Hwy 838 in support of that project.

Councillor T. Zariski explained that the golf course a nonprofit organization providing recreation for the community at no cost to Town. He further explained that all dollars raised go back into the golf course. In response to a question from Councillor J. Garbutt, Councillor T. Zariski explained that although the organization has shareholders, the shares are non equity. Councillor J. Garbutt asked the cost of the in-kind labour and equipment. R. Romanetz advised that the work may be estimated at \$ 20,000 - 25,000 for labour and equipment with the work to be done in October and November as time permits and as other priorities can be managed first.

Council agreed that the Town should provide in-kind services as outlined to the Dinosaur Trail Golf and Country Club.

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.2.1 Aquaplex Modernization / Retrofit Update

D. Drohomerski advised that the Town is working with Stantec to review the costs from the general contractor with their sub consultant. He further advised that Administration will provide a report to Council with pricing and timelines on October 17th.

8.3. DIRECTOR OF CORPORATE SERVICES

8.3.1 RFD – Council Policy C-03-16 Amendment to Council Policy C-01-14 (Section 4.0)

B. Miller advised that Council Policy C-01-14 Remuneration and Expense Allowance for Mayor and Council was adopted on February 10, 2014. Since that time, as the policy has been in practice, the following items have been identified as requiring a correction and / or clarity.

Article 3.3 – In 2015 Council determined that attendance at the AUMA or FCM was eligible for compensation over and above the annual fixed remunerations by way of per diem payment. In order for per diem payments to be in compliance with the policy, it is necessary to delete “Conventions and Conferences, such as AUMA or FCM or other government events” from Article 3.3.

Article 4.1 Per Diems – As it is currently written, the policy allots a maximum number of days available for attendance at meetings as authorized in advance by Council.

Included in this maximum annual allotment is attendance at orientation and strategic business planning sessions and attendance at AUMA / FCM convention. In some cases, it has become necessary to exceed the annual allotment either due to attendance at meetings on Council's direction, or, because of mandatory attendance in order to meet committee obligations such as the four days mandatory training for assessment appeal board members. Therefore, Article 4.1 has been amended to eliminate the cap on the annual number of days when authorized by Council or attendance is mandatory.

Article 4.2 New – The cap of 5 days per Councillor and 10 days for the Mayor have been reclassified to include council orientation and strategic planning sessions with the remainder of the allocation to be used at the discretion of individual councillors for attendance at conventions, conferences or other government events such as AUMA or FCM.

MO2016.131 Garbutt, McMillan moved that Council adopt Policy C-03-16 Remuneration and Expense Allowance for Mayor and Council. Carried unanimously.

8.3.2 RFD - 2016 Reserve Bid Tax Recovery Public Auction

B. Miller advised that as part of the tax recovery process under the Municipal Government Act, properties with a tax caveat registered against them must be offered for public auction one year after the date of the tax caveat. She further advised that the properties due for action now had caveats registered against them in 2015. As part of this process, Council must set the terms and reserve bids for the properties in question. In the past, the terms have been cash and the reserve bid for each property has been equal to its current year's assessment.

MO2016.132 Shoff, Hansen-Zacharuk moved that Council set the assessed value as the reserve bid price for properties for the January 27, 2017 tax recovery auction. Furthermore, the successful bidder must pay via cash, or cash equivalent. Carried unanimously.

8.3.3 Fundraising Update

B. Miller presented information on the Friends of Society formation noting that the municipality must remain at arm's-length and secondly, in order for it to be successful it requires a core group of volunteers to head it up. She explained that the necessary steps in creating a society are choosing a name, identifying the purpose, recruit founding members, establishing a bylaw and deciding whether it should be a registered charity. She further explained that because the Town of Drumheller is registered to issue charitable receipts, there would be no need for the society to become a registered charity. R. Romanetz advised that the Society would be able to do different fundraising activities like raffles, apply for grants and work in casinos. Councillor T. Zariski explained that the Citizen on Patrol recently went through this process applying for society status and there are sample templates that guide the process. He further explained that he sits on a number of Societies within the community as a public member and not as a Council appointment. Councillor J. Garbutt stated that he feels

...

individuals with vested interests will come forward to sit on the Society Board. Three Councillors indicated their interest in working towards the establishment of a Society.

8.4. DIRECTOR OF COMMUNITY SERVICES

8.5. DIRECTOR OF PROTECTIVE SERVICES

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

10.0 PUBLIC HEARING DECISIONS

11.0 UNFINISHED BUSINESS

12.0 NOTICE OF MOTION

13.0 COUNCILLOR REPORTS

13.1 Council Jay Garbutt - Drumheller Housing Administration Update

Councillor J. Garbutt explained that DHA is responsible for the affordable and community housing portfolio for the Province of Alberta being Hunts and Greentree with 50 subsidized units in total. He further explained that the Province sets a formula at 30% of their income. He stated that 12 of 50 families are paying \$120.00 per month in rent - that is the lowest rent that can be charged as set by the Province. He noted that the two developments have 1 – 4 bedroom units and as of today, they are at full occupancy. The current waiting list has 3 families waiting for a 3 bedroom unit and 11 individuals waiting for one bedroom units – the highest need are given the highest priority. He further explained that the Town has one affordable housing building known as Sandstone Manor with 20 apartments and the rent that can be charged is 10% below market value. Currently, there is one 2 bedroom apartment available. He stated that over the past few years, expenses were significantly higher due to lack of rental of one and sometimes a second unit due to shifting and a large amount of rental turnover. He stated that Sandstone now projects a \$10,000-20,000 surplus assuming no major changes in their 4th quarter. He noted that the net profits are dedicated to a reserve for future affordable housing. He recognized the DHA staff and volunteer board for their hard work and efforts in administering the program. He stated that although the Town was awarded with a grant of \$10,000 for a Needs Assessment there appears to some recent developments.

Councillor J. Garbutt asked P. Salvatore to speak about the changes to secure funding for housing. P. Salvatore stated that the Town did submit an application for grant funding which lead to a feasibility study which was completed last year and allowed the Town to move forward for funding for an additional development and lay the ground work for a future project. He explained that in the meantime there are changes with how CMHC is doing things and what the Town initially thought was a grant process to secure funding for a future project has changed. He further noted that last Friday the

...

Province announced the Innovative Affordable Housing Program through CMHC with a further announcement to come shortly that the Province has identified up to 25% cost share on future project funding. He attended a session in Calgary on September 30th to help with the Provincial consultation on how to move forward on the grant process. R. Romanetz advised that the Town needs to have a shovel ready project with a site identified as this will put the Town in a better position for getting favourably considered. P. Salvatore further advised that CMHC is moving communities towards an integrated housing model plan which may help to unlock future funding.

14.0 IN-CAMERA MATTERS

MO2016.133 Hansen-Zacharuk, McMillan moved to go in camera at 5:36 PM. Carried unanimously.

14.1 Personnel Matter

MO2016.134 McMillan, Hansen-Zacharuk moved to revert to regular Council meeting at 5:57 PM. Carried unanimously.

14.1 HR Policy No. 4.02.10.12 Urgent Domestic Contingency/Emergency Leave

MO2016.135 Garbutt, Hansen-Zacharuk moved to amend Article 3.01 to read "This Statement of Policy and Procedures applies to all out of scope employees who are eligible for sick leave. In-scope employees are subject to the provision of their respective collective agreements." Carried unanimously.

There being no further business, the Mayor declared the meeting adjourned at 5:58 PM.

Chief Administrative Officer

Mayor



Request for Decision

Date: October 14, 2016

Topic:	Aquaplex Modernization – General Construction and Retrofit
Proposal:	<p>The Town of Drumheller is renovating the Aquaplex indoor pool with the installation of a gradual entry pool liner and associated works. This project includes the demolition of the existing pool liner, installation of a new liner system (by others) upgrades to mechanical, electrical and architectural components within the Aquaplex.</p> <p>On July 29, 2016, a Request for Proposal was posted on APC. On August 25, 2016, three proposals were received and are summarized as follows:</p> <p>Shunda Construction Management – \$ 1,257,000.00 Pearl Rose Construction Ltd. – \$ 1,481,784.00 Lear Construction Management - \$ 1,592,800.00 Pre-tender cost estimate from Stantec - \$834,000.00</p> <p>Subsequent to the proposal opening, the Town requested that the low bidder provide an alternative schedule and pricing for a May 2017 construction start. On September 15, 2016, Shunda Construction Management submitted the following price adjustment for spring/summer 2017 construction period:</p> <p>Shunda Construction Management – \$ 1,314,000.00</p> <p>All bidders have indicated an overall five to six month construction schedule for this project. Shunda Construction Management has confirmed that their schedule will be approximately six months barring any unforeseen issues with the project. Overall completion of this project is expected to be early fall 2017.</p> <p>Stantec has engaged Turner and Townsend, construction cost consultants, to review and compare the pre-tender cost estimate completed in July 2016 to the tender submission by Shunda. The report by Turner & Townsend is attached but indicates that there were several areas where material changes were made to the tender documents after the pre-tender estimate was completed. These changes have revised their pre-tender estimate to \$1,178,000.00, not including an adjustment for spring construction.</p> <p>The low bidder's original submission of \$1,257,000 is within 7% of the revised pre-tender estimate and is considered a reasonable bid. Stantec Architecture has indicated that Shunda Construction Management has complied with all the tender submission requirements and they are recommending acceptance of their bid.</p>
Proposed by:	Darryl Drohomerski, C.E.T., Director of Infrastructure Services



INFRASTRUCTURE SERVICES

Telephone: (403) 823-1312

Created By: Darryl Drohomerski, C.E.T.

1

Agenda Item # 8.2.1

Correlation to Business (Strategic) Plan:	The Town of Drumheller Capital Budget has allocated a total of \$ 2,110,778.00 for the Aquaplex Moderization Project. To date \$ 1,346,593.10 has been spent for the purchase of the Myrtha Pool Liner system and installation contractor and the engineering fees for this project. Approval of this contract will require a total of \$ 549,815.10 to be transferrred from reserves or the 2017 MSI Grant .		
Benefits:	The completed project will improve aquatic activities and provide greater accessibility for residents and visitors.		
Disadvantages:	The budget required to complete this project may financially impact other projects in 2017. The move to spring 2017 construction will cost the town an additional \$85,530.00 in capital costs.		
Alternatives:	Reject all Proposals and retender the project with a May 2017 start date. There is a risk that bids may not come in more competitively than currently received and the three current bidders may not submit a bid again.		
The total cost of the Aquaplex modernization project is summarized as follows:			
Shunda Construction Management		\$1,314,000.00	
Myrtha Pool System Purchase		\$ 791,503.00	
Stantec Consulting		\$ 176,745.10	
Master Pools Alberta Ltd.		\$ 378,345.00	
Total		\$2,663,073.10	
Budget Available		\$2,110,778.00	
Shortfall		(\$ 549,815.10)	
Approved Budget:	\$2,110,778.00	Source of Funds:	Capital
Budget Available:	\$764,184.90	Capital Cost for this Decision:	\$1,314,000.00
Underbudget Savings:		Overbudgeted Cost:	(\$549,815.10)
Communications Strategy:	The successful vendor will be advised of the proposal award.		
Recommendations:	It is my recommendation that the Town of Drumheller proceed with the lowest proposal which meets all the criteria, received from Shunda Construction Management in the amount of \$ 1,314,000.00.		
Report Writer:	Darryl Drohomerski, C.E.T.		
Position:	Director of Infrastructure:		
	R. M. Romanetz, P.Eng.		
	Chief Administrative Officer:		

- Total project over expenditure will be funded by Reserves or 2017 MSI

Agenda Item # 8.2.1



Tender Price Comparison Report for Drumheller Aquaplex Renovation, Capital Project 1

Joanne Daley
Associate Director, Cost Management

Turner & Townsend
10113 – 104 Street
Suite 346
Edmonton, AB T5J 1A1
Canada
t: +1(780) 643 0134
e: joanne.daley@turntown.com
w: turnerandtownsend.com

Stantec Architecture Ltd & Town of Drumheller
Drumheller Aquaplex Renovation, Capital Project 1

13 October 2016

Contents

1	Introduction	2
2	Background	2
3	Post Tender Review	3
4	Updated Pre-Tender Construction Cost Estimate	4
5	Estimate Analysis	5
6	Recommendation	6

Rev	Originator	Approved	Date
0	Joanne Daley	Marcos Sibal	12 October 2016
© Turner & Townsend. All rights reserved October 16. This document is expressly provided to and solely for the use of Stantec Architecture Ltd. and must not be quoted from, referred to, used by or distributed to any other party without the prior consent of Turner & Townsend who accept no liability of whatsoever nature for any use by any other party.			
F:\TOR\JOBS\2015 JOBS 21184 -\21479CM - DRUMHELLER AQUAPLEX - JD - CM\500 CLASS A - JULY 2016\TENDER REPORT\21479_DRUMHELLER AQUAPLEX CAPITAL PROJECT 1_TENDER REPORT V0.DOCX			

Distribution

Nr	Recipient	Organization
001	Suman Chakraborty	Stantec Architecture Ltd.
002	Darryl Drohomerski	Town of Drumheller
003	Daniel Johnson	Stantec Architecture Ltd.
004		
005		
006		
007		
008		

1 Introduction

The following report has been prepared for Stantec Architecture Ltd. to provide a comparison on the pre-tender construction cost estimate and post tender construction cost estimate update for the Drumheller Aquaplex Pool Renovation, Capital Project #1 as completed by Turner and Townsend.

2 Background

Turner and Townsend was appointed by Stantec Architecture Ltd to complete a pre-tender construction cost estimate for the Drumheller Aquaplex Pool Renovation, Capital Project #1 in July 2016. At this time, Turner and Townsend estimated the cost of construction at \$834,000. The project design and specifications were issued for public tender in August 2016. The tender closed on August 26, 2016 at 2:00 PM MDT and three (3) bid submissions for General Contractor and two (2) bid submissions for the Myrtha installation were received. For the purposes of this report, we shall further examine the General Contractor bids, which can be summarized as follows:

	General Contractor	Tender Amount (CAD\$)
1	Shunda Consulting & Construction Management	\$1,257,000.00
2	Pearl Rose Construction Ltd.	\$1,481,784.00
3	Lear Construction Management Ltd.	\$1,592,800.00

The lowest tender of Shunda Consulting & Construction Management of \$1,257,000.00 was \$423,000 higher than the pre-tender construction cost estimate as completed by Turner and Townsend of \$834,000. Upon initial discussion with Stantec Architecture Ltd and the Town of Drumheller, Turner and Townsend raised the following potential issues as rationale for the overall budget increase:

1. The pre-tender construction cost estimate was priced on the basis that a minimum of eight (8) tenders would be received. It was our opinion that the receipt of three (3) tenders did not create a competitive tendering conditions;
2. The pre-tender estimate was also priced to reflect the current economic climate in Southern Alberta, where pricing is being received in the range of 30-40% below 2015 pricing and the number of tenderers is between eight (8) and twelve (12).
3. If there were any contractual items included in the bid, such as out of hours work, restricted schedule, site access restrictions, which wouldn't have been included at the time of the estimate; this would also impact the submitted prices;
4. If there were any changes to design from the time of the pre-tender estimate to the time of tendering; including any addendums issued, this would also impact pricing as scope of work would have changed.

Stantec Architecture Ltd. advised on September 19, 2016 that four (4) addendum were issued. It was agreed on September 19, 2016 that a breakdown of the lowest tender of Shunda Consulting &

Construction Management of \$1,257,000.00 would be requested for review by Turner and Townsend, along with the complete tender information and the associated addendums.

3 Post Tender Review

Further to receipt of the lowest tender price for Drumheller Aquaplex Renovation, Capital Project #1, in the amount of \$1,257,000, from Shunda Consulting and Construction Management Ltd., we completed a high level review of the tender breakdown, four (4) addendums and complete tender information against our Class A pre-tender estimate totaling \$834,000 to provide some rationale for the monetary difference.

3.1 General Conditions

Turner & Townsend's general conditions calculation was based on 6% of the overall value of construction works, which is typical of today's construction market where general conditions are as low as 4%. We found Shunda Consulting & Construction Management's to equate to 14% of the construction value which is high in today's market. Their general conditions also included for accommodation which Turner & Townsend were not anticipating being a requirement of the project since the project is located 1.5 hours from Calgary and Red Deer. The difference in pricing equates to \$128,500 of an increase from the pre-tender construction cost estimate. We believe this is attributable to the inclusion of the accommodation and overall higher allowances included by Shunda Consulting & Construction Management.

3.2 Trade Pricing

Turner and Townsend were not provided with detailed trade pricing breakdowns from Shunda Consulting & Construction Management, therefore we could not comment on the individual trade rates; however we found that the overall trade prices were much higher than should be experienced in today's market. Having spoken to Shunda Consulting & Construction Management they advised they received only 1-2 prices for some of the trade packages, when it's typical for 3-4 prices to be achieved, if not more in today's economic climate. Mechanical and Electrical packages were the only exception where 5-6 trade prices were sought.

3.3 Addendums

Stantec Architecture Ltd. advised that four (4) addendums were issued. Upon review of the addendums we found considerable changes to scope for Mechanical works, since our pre-tender estimate. Addendum 1 contains the majority of Mechanical scope changes, but there also appears to be other scope that was added to the drawings after the tender drawings were submitted and Addendum 1 issued. Stantec Architecture Ltd. advised these changes were the outcome of coordination with Myrtha's detail drawings and AHS comments received after the pre-tender estimate was prepared. We evaluated the changes as follows:

- Dwg M010: the demolition of piping and drains on the north and west side of the pool were previously existing to remain.
- Dwg M050: the majority of the pipes sizes increased considerably. Most of the piping that was previously 75 dia. had increased to 150, 200 & 250 dia. This would have a major impact on the pricing. There are new pipe runs and the main drains have doubled from 2 to 4.

- Dwg M101: The pool water supply piping increased in scope. The hydrotherapy tub compressed air system was not shown before, however we had carried an allowance based on the engineer's recommendations. It would appear that the amounts carried in the estimate were light based on what is shown on the drawings.
- Dwg M601: This was a new drawing showing a more detailed distribution of the Compressed Air, main drains, gutter drains, and supply piping.

3.4 Tender Drawings and Information

Further to a review of the pre-tender drawings issued to the Contractors some changes were noticed particularly in regards to the extent of demolition to the decking and drains on the North and West side of the pool as well as to the south of the existing stair to water slide, which required further excavation, backfilling, concrete works and additional shoring at the stair, there was also an increase in the thickness of the concrete cover to the beach entry from 75mm thick to 125mm thick. The Myrtha detailed design drawings issued with the tender had further works identified since the time the pre-tender estimate was prepared.

We noted some additional pool depth markers and stainless steel handrails added to the tender drawings which were not shown in the pre-tender estimate. There was also an additional drawing provided to the General Contractors, drawing A104, showing the falls of the proposed concrete decking which was not available at the time of the original estimate, which would have assisted with more exact pricing for the concrete deck replacement works.

3.5 Escalation

Based on current tender results being received across Alberta, in the range of 30-40% below budget, Turner and Townsend applied a de-escalation factor of -5% which omitted \$44,000 from the construction cost. Had Turner and Townsend been aware that only 3 contractors would tender for the works we would not have de-escalated the estimate and instead would have increased our rates considerably.

3.6 Competitiveness

Turner & Townsend priced the estimate to reflect the aggressive market being experienced in Alberta in July 2016. Given the current market in Alberta, it was our experience that for the value of this project we would have anticipated at least 8 General Contractors bidding for this project and at least 3 to 4 sub trades for all major work. This was a major assumption in our costing. Based on the foregoing and the earlier comments above, it is our opinion that the bids received may not have reflected the current competitive market in Alberta.

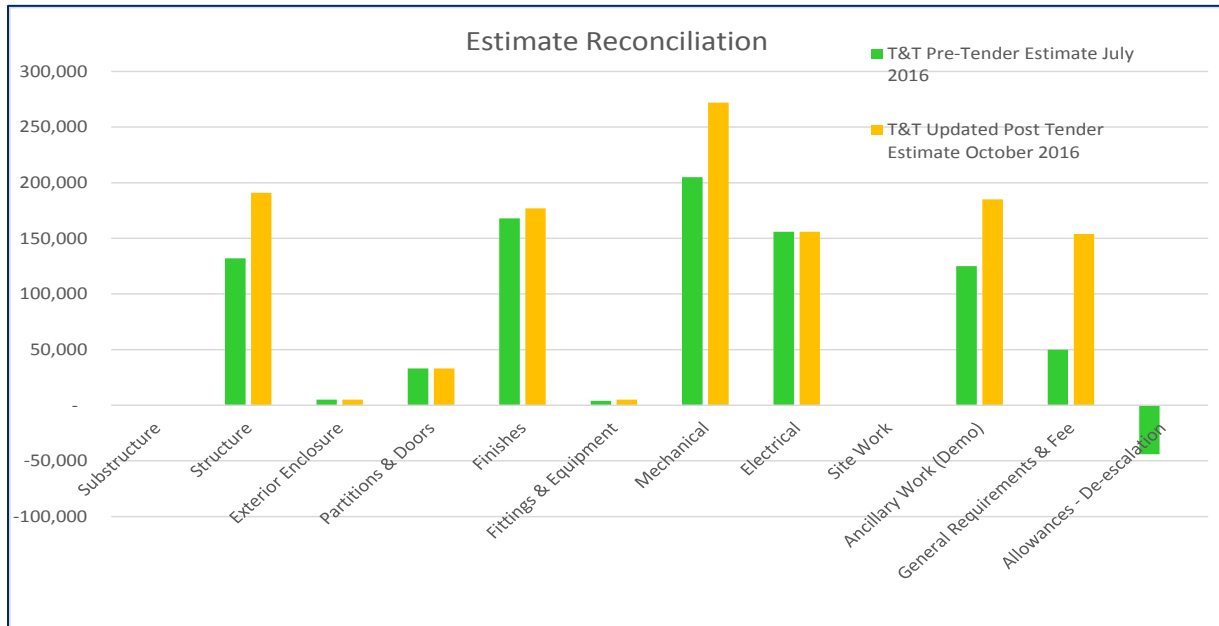
4 Updated Pre-Tender Construction Cost Estimate

Further to a review of the updated tender information and the four (4) addendums, Turner and Townsend updated their pre-tender construction cost estimate to reflect the updated information to provide a more realistic estimate of the probable construction cost. The updated construction cost estimate is now \$1,178,000.

5 Estimate Analysis

We have provided below an elemental comparison between the pre-tender construction cost estimate completed in July 2016 and the updated post-tender construction cost estimate, updated in October 2016, with commentary on the variances:

Ref	Element	T&T Pre-Tender Estimate July 2016	T&T Updated Post Tender Estimate October 2016	\$ Variance	Comments
1	Substructure	-	-	-	No works
2	Structure	132,000	191,000	59,000	The slab on grade works have been updated to reflect the updated drawings including additional floor drains and breakout works
3	Exterior Enclosure	5,000	5,000	-	No changes
3	Partitions & Doors	33,000	33,000	-	No changes
4	Finishes	168,000	177,000	9,000	Minor items of work added to the estimate to reflect items shown on the tender drawings that were not on the drawings we used in preparation of the estimate
5	Fittings & Equipment	4,000	5,000	1,000	Minor items of work added to the estimate to reflect items shown on the tender drawings that were not on the drawings we used in preparation of the estimate
6	Mechanical	205,000	272,000	67,000	The M&E scope of works has been updated to reflect the addendums
7	Electrical	156,000	156,000	-	No changes
8	Site Work	-	-	-	No works
9	Ancillary Work (Demo)	125,000	185,000	60,000	The demolition works have been updated to reflect the updated drawings including additional floor drains and breakout works. The saw cutting and coring pricing was updated to reflect the Mrytha Rev B drawings which were included in the tender pack
10	General Requirements & Fee	50,000	154,000	104,000	General requirements and fee have been increased to include for accommodation, restricted access, increased additional heat
11	Allowances - De-escalation	- 44,000	-	44,000	The de-escalation amount has been omitted to reflect the lack of tenders received
	Total	834,000	1,178,000	344,000	



Although the updated post-tender construction cost estimate is still lower than the tender price of Shunda Consulting & Construction Management by 6.7% or \$79,000, Turner and Townsend is still of the opinion that the difference is justified by the lack of tender bids received.

6 Recommendation

Turner & Townsend recommends that the tender price of \$1,257,000 (excl. GST) from Shunda Consulting & Construction Management is considered for acceptance by the Town of Drumheller for the Drumheller Aquaplex Renovation, Capital Project 1 works, provided all necessary insurance and bonding requirements are in place. Should the Town of Drumheller consider re-tendering the project, they risk incurring additional professional fees, escalation of pricing to Spring 2017 as well as lost time which may equate to more than the \$79,000 difference in budgets highlighted in this report. In the current unstable market being experienced in Alberta, there is no guarantee that re-tendering the project will heighten the interest from any further additional General Contractors and there is the potential that the current three (3) General Contractors could withdraw their bid. Stantec Architecture Ltd. will also provide recommendation based on the completeness of the bid submission and reference checks.





Request for Decision

Date: October 14, 2016

Topic:	Aquaplex Modernization – Myrtha Pool Installation
Proposal:	<p>The Town of Drumheller is renovating the Aquaplex indoor pool with the installation of a gradual entry pool liner and associated works. This pool liner system was awarded on April 21, 2016 to NCA Aquatics for a Myrtha Systems brand liner system. The pool liner is currently in transit and is according to the supplier, is expected to arrive in Drumheller around November 1.</p> <p>In order to validate the 25 year warranty on their product as well as to ensure proper installation of the product, the manufacturer requires that the pool installer be certified by Myrtha Pools prior to installation of the product.</p> <p>On July 29, 2016, a Request for Proposal was provided to a list of preferred installers as well as posted on APC. On August 25, 2016, two proposals were received and are summarized as follows:</p> <p>Master Pools Alberta Ltd. – \$ 349,815.00 Priority SS – \$ 482,469.00</p> <p>Subsequent to the proposal opening, the Town requested that the low bidder provide an alternative schedule and pricing for a May 2017 construction start. On September 15, 2016, Master Pools submitted the following price adjustment for spring/summer 2017 construction period:</p> <p>Master Pools Alberta Ltd. – \$ 378,345.00</p> <p>Both bidders have indicated an overall five to six month construction schedule for this project. Master Pools Alberta Ltd. has confirmed that their schedule will be approximately six months barring any unforeseen issues with the project. Overall completion of this project is expected to be early fall 2017.</p> <p>Stantec Architecture has indicated that Master Pools has complied with all the tender submission requirements and they are recommending acceptance of their bid.</p>
Proposed by:	Darryl Drohomerski, C.E.T., Director of Infrastructure Services
Correlation to Business (Strategic) Plan:	The Town of Drumheller Capital Budget has allocated a total of \$ 2,110,778.00 for the Aquaplex Modernization Project. To date \$ 968,248.00 has been spent for the purchase of the Myrtha Pool Liner system and engineering fees for this project.

INFRASTRUCTURE SERVICES

Telephone: (403) 823-1312

...	Approval of this contract will require a total of \$ 599,815.10 to be transferred from reserves or the 2017 MSI Grant. Agenda Item # 8.2.2		
Benefits:	The completed project will improve aquatic activities and provide greater accessibility for residents and visitors. The installation of the liner by a certified pool installer will validate the 25 year warranty on the pool liner.		
Disadvantages:	The budget required to complete this project may financially impact other projects in 2017. The move to spring 2017 construction will cost the town an additional \$85,530.00 in capital costs.		
Alternatives:	Reject all Proposals and retender the project with a May 2017 start date.		
The total cost of the Aquaplex modernization project is summarized as follows:			
Shunda Construction Management		\$1,314,000.00	
Myrtha Pool System Purchase		\$791,503.00	
Stantec Consulting		\$176,745.10	
Master Pools Alberta Ltd.		\$378,345.00	
Total		\$2,663,073.10	
Budget Available		\$2,110,778.00	
Shortfall		(\$549,815.10)	
Approved Budget:	\$2,110,778.00	Source of Funds:	Capital
Budget Available:	\$968,248.10	Capital Cost for this Decision:	\$378,345.00
Underbudget Savings:	\$	Overbudgeted Cost:	(\$549,815.10)*
Communications Strategy:	The successful vendor will be advised of the proposal award.		
Recommendations:	It is my recommendation that the Town of Drumheller proceed with the lowest quote which meets all the criteria, received from Master Pools Alberta Ltd. in the amount of \$ 378,345.00.		
Report Writer:	Darryl Drohomerski, C.E.T.		
Position:	Director of Infrastructure:		
	R. M. Romanetz, P.Eng.		
	Chief Administrative Officer:		

- Total project over expenditure will be funded by Reserves or 2017 MSI

TOWN OF DRUMHELLEAgc BYLAW NUMBER 14.16

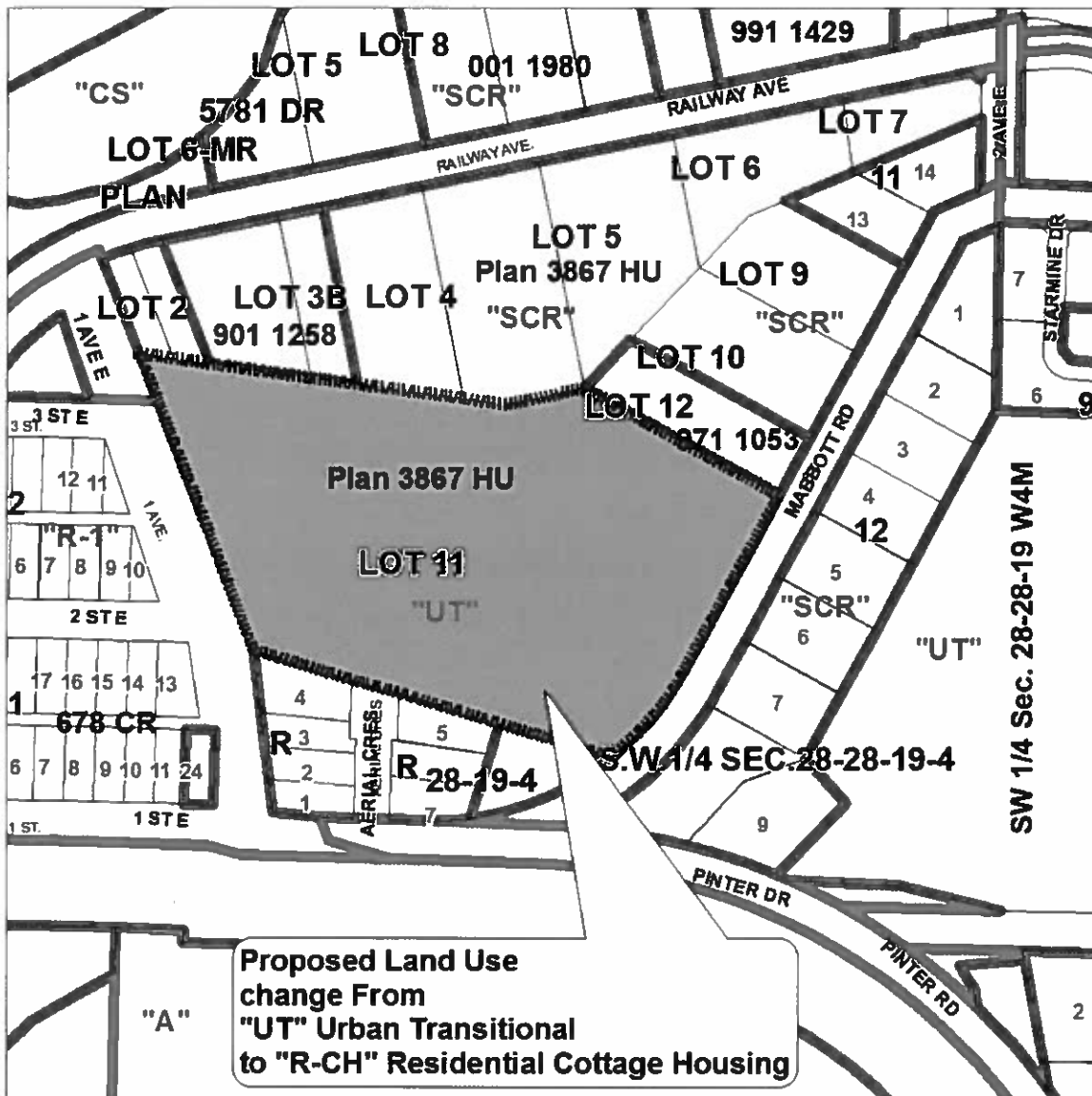
BEING A BYLAW TO AMEND LAND USE BYLAW NO. 10-08 FOR THE TOWN OF DRUMHELLER IN THE PROVINCE OF ALBERTA.

WHEREAS pursuant to the provision of Section 639 of the *Municipal Government Act*, RSA 2000, Chapter M-26, the Council of the Town of Drumheller (hereinafter called the Council), has adopted Land Use Bylaw No. 10.08;

AND WHEREAS the Council deems it desirable to amend Land Use Bylaw No. 10-08; and

NOW THEREFORE the Council hereby amends Land Use Bylaw No. 10-08 as follows:

On Schedule "A", the Land Use District Map, redesignate Lot 11, Plan 3867 HU within the SW ¼ Sec. 28-28-19 W4M in the Rosedale District of the Town of Drumheller, from "UT" – Urban Transitional District to "R-CH" – Residential Cottage Housing District, as shown on the plan below:



READ A FIRST TIME THIS 22 DAY OF AUGUST, 2016

READ A SECOND TIME THIS ___th DAY OF _____, 2016.

READ A THIRD TIME AND PASSED THIS ___th DAY OF _____, 2016.

MAYOR

CHIEF ADMINISTRATIVE OFFICER