



## **REPORT TO COUNCIL**

**DATE:** February 1, 2016

**AUTHOR:** Lori Wiedeman, Chief Administrative Officer

**SUBJECT:** Boat Launch Project Budget Update

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### **RECOMMENDATIONS:**

1. That Council receives this report.
2. That Council supports an application to the Gwaii Trust Vibrant Haida Gwaii Communities program for the full \$250,000 allocation to be used for the construction phase of the boat launch upgrade project.

### **BACKGROUND:**

The Village issued a tender on December 17, 2015, with a closing date of January 22, 2016. The Tender was advertised on CivicInfo, BC Bid, in the local paper, the Haida Gwaii Observer, and emailed to our distribution list of local contractors. The tender asked for bids for the installation of a lock block breakwater and pre-cast cement panel ramp for the boat launch and included the provision of the blast rock, fill rock and geogrid fabric. The tender did not include construction and installation of the floats or any work on the parking lot area.

The Village received two eligible bids on the project and one that was received after the deadline.

<b>Proponent</b>	<b>Location</b>	<b>Price</b>
BC Integrated Solutions Inc.	Vancouver BC	\$577,860
Berg-Mac Industries Ltd.	Queen Charlotte BC	\$359,700

The original budget for the Village of Queen Charlotte Boat Launch project and the actuals spend to date are as follows:

<b>Approved Funding</b>			
<b>NDIT</b>	<b>Gwaii Trust</b>	<b>Gas Tax</b>	<b>TOTAL</b>
\$250,000	\$120,000	\$120,000	\$490,000

Project Element	Original Budget	Actuals
Culvert/drainage repair	\$5,000	\$0
Construction of floats and protective berm/barrier	\$332,500	\$327,515
Repair boat ramp	\$44,888	\$28,018
Parking meter	\$10,000	\$0
<b>TOTAL</b>	<b>\$392,388</b>	<b>\$355,533</b>
<b>Remaining Budget (grant funding \$490,000 – actuals):</b>		<b>\$134,467</b>

Therefore, in order to install the breakwater and repair the boat ramp a minimum of \$225,233 of additional funding must be secured.

**PROJECT CONSTRAINTS:**

The construction of the breakwater and repairs to the boat ramp can only be made during a negative tide. The most opportune window for construction this year will be in May and June, and the contractor will need two tide windows in order to: 1) first focus on the footing and building of the breakwater; and 2) then focus on the footing and building of the pre-cast ramp.

This gives us approximately **3 to 3 ½ months** to get the funding in place and we cannot confirm the contract until we have the funding.

Additionally, the contractor will need to order the geo-grid fabric which will take **6 to 8 weeks** for delivery assuming no delays, and source the blast and fill rock. The contractor cannot order anything until the contract is awarded.

**OPTIONS:**

*Option 1      Submit Final Report to Gwaii Trust then utilize the new Vibrant Haida Gwaii Communities funding*

Gwaii Trust has confirmed that they would consider a phased approach to the project where Phase 1 would constitute the engineering work and procurement of the pre-cast panels and lock blocks for the construction, Phase 2 would be the actual construction, Phase 3 would be the construction and installation of the floats, and Phase 4 would be the completion of the parking area.

Staff have completed and submitted a final report for the Major Contributions Grant funding and we are awaiting their decision. Assuming Gwaii Trust accepts this portion of the project as complete, we would then be in a position to utilize the Vibrant Haida Gwaii Communities funding of up to \$250,000 for this project.

A detailed business case (attached) has been developed to support the application requesting the full \$250,000 in order to allow a contingency fund to cover unexpected expenses that might be encountered during construction. Gwaii Trust requires that the application be submitted a minimum of one month in advance of the project. This puts us into March before we can award the contract and the contractor can order the remaining materials.

*Option 2      Secure a loan for the funding*

The Village could secure a loan through the Municipal Finance Authority (MFA) to provide the funding for the remainder of this project. The MFA provides a loan calculator to assist municipalities by providing information on the costs of financing. For a loan of \$250,000, at a rate of 3.53% over a 20 year term, the Village would pay approximately \$103,305.38 in interest payments.

*Option 3      Postpone the project until funding is secured*

**BUDGETARY IMPACT OF RECCOMENDATION (if applicable):**

Based on the costs of either borrowing the required funding through the MFA or postponing the project until other funding can be secured, Option 1 is recommended.

**Budgeted Amount:    \$134,467 (NDIT)**

**Unbudgeted Amount:    \$225,233**

\$225,233 installation cost

\$24,767 contingency

**RECOMMENDED BY:**

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Debra Uliana, Chief Financial Officer



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Lori Wiedeman, Chief Administrative Officer