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SIGNIFICANT DEVELOPMENT MAY LEAD TO PIPELINE/ PEDESTRIAN BRIDGE PROJECT PROCEEDING

TRAIL, BC (September 9, 2015) – The municipalities of Trail, Rossland and Warfield, who are all members to the East End Regional Sewer Service, have now provided formal support for a resolution that could potentially result in the Pipeline/Pedestrian Bridge project proceeding this year.

Trail Council was previously forced to reject all tenders it received for the bridge given that actual costs exceeded the capital budget that was approved for the project. Council then initiated an internal review process, by way of the third party engineering company Global Project Management Corporation who would focus more specifically on the low bid received by Graham Infrastructure LP, to determine why there was a calculated funding shortfall of \$5.83 million.

“When we received the bids and saw the significant variance between the budget and actual costs, we needed to determine what went wrong with our processes and procedures as well as establishing a path forward,” says City of Trail Mayor, Mike Martin. “It was quickly determined that the City and East End Regional Sewer Service partners were in fact receiving considerable value in terms of the pricing that was advanced in the low tender. The City initiated discussions with Graham Infrastructure LP, Buckland & Taylor and TRUE Consulting to determine if there could be cost reductions in the project through potential modifications and changes in approach.”

Initial negotiations identified potential savings in excess of \$1 million over the original \$12.87 million low-bid. An engineering analysis suggested that a delay or subsequent re-engineering and tendering to the project would result in an increase in the order of 22% to the partners in the project. The City of Trail engaged its regional partners (Rossland and Warfield), briefed them with respect to the ongoing discussions with Graham Infrastructure LP and further sought to determine an appropriate cost sharing split between the Regional Sewer Service and the City if the new budget was acceptable and if the project was to proceed. Upon assessing the various options and potential future costs to the region, including a stand-alone pipeline bridge, which most likely would have exceeded \$10 million to construct in the future, the Regional Sewer Service participants agreed to contribute \$7.2 million to the project, up



from their original contribution of \$4.2 million. The City of Trail will directly fund the residual balance of the project, expected to be in the order of \$7.5 million. Mayor Martin noted, “for the City, this represents a \$1.1 million increase over previous funding allocations with this balance to be funded internally thereby living up to Council’s commitment that there will be no increases to municipal property taxes as a result of this project.”

“At this time, there is an urgent need to get the RDKB’s funding in place so the City can enter into agreement with Graham Infrastructure LP, continues Martin. “Given the time limits associated with the tender, the interim understanding as it pertains to a negotiated price reduction; the matter must be effectively concluded by the end of this week. This will require the RDKB to amend its loan authorization bylaw and to receive expedited approval from the Ministry of Community, Sport & Cultural Development. The Regional Sewer Service members are very hopeful that the Ministry and the Inspector of Municipalities will see the merits of this project and the potential to save the Regional Sewer Service millions of dollars as well as to address the real need to remove the existing sewer line off the Old Bridge. The tight timelines for final approval by the Ministry is thought to be the most significant obstacle we have to deal with at this time.”

“The level of cooperation and trust exhibited by our partners in Rossland and Warfield to work cooperatively and find a solution that is good for the entire area is unprecedented,” concludes Martin. “If the project does proceed, it will provide a long-term service solution for the regional sewer service and further provide an amenity that everyone is sure to enjoy.”

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