

APR 28 2011 - Jkm 5



OS-05-142-11-OS

January 14, 2011

Ms. Rhonda Cook, Clerk/CAO
Town of South Bruce Peninsula
Box 310, 315 George Street
Warton ON N0H 2T0

Re: Engineering Costs for Sauble Sewer System
Town of South Bruce Peninsula

Dear Ms. Cook:

Recently, various media have possibly reported misleading information regarding GENIVAR's costs for engineering for the Sauble Beach sewer system.

From the start of our involvement with this project in 2005 to December 31, 2010, we have invoiced a total of \$651,421.95 plus GST and HST.

This is based on review of our two (2) major billing files, summarized as follows:

Project No. 105142

We have billed a total of \$449,119.10 for this project number.

This job number was established in 2005 to begin work on the environmental assessment process being Addendum No. 2. Under the same job number, we completed Addendum No. 2 REVISED, and more recently, Addendum No. 3. We also assisted with the successful application process for Build Canada funding.

As well, between January 2009 and February 2010, we expended approximately \$229,000 of the above amount for final design costs for the Sauble Beach sewer collection system, including applying for approvals, tendering and review of tenders.

As you will recall, Harold Sutherland Construction was the low tender for the Sauble Beach sewers with a bid price of \$4,948,007.77. As such, our engineering costs for the design and tendering of the Sauble Beach sewers was only 4.6 percent based on the low bid from Harold Sutherland's costs. We feel this is a very low percentage compared with the market standards and represents excellent value to the Municipality.

Project No. 109143

We have billed a total of \$202,302.85 for this project number.

This job number was established in early 2009 for our cost to design the sewage treatment plant and two (2) sewage pumps included in last year's tender for the overall Sauble Beach sewer system.

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The low bid for the treatment plant and two (2) pumping stations was from Allen-Hastings at a total cost of \$6,619,000. Our engineering costs represent only 3.06 percent of the low tender cost of \$6,619,000. Again, we feel this low percentage provided excellent value for the Municipality.

We will be invoicing shortly for the first two (2) weeks of January 2011 to finalize Addendum No. 3 and make our recent presentation to Council. I will forward a draft of this invoice for your review prior to finalizing. We will keep this final invoice as low as reasonably possible.

We would ask that all Members of Council receive this letter for their information.

If you have any questions regarding the above summary of our invoices, please do not hesitate to contact me.

Yours truly,

GENIVAR Consultants LP



Jeff Graham, P.Eng.
JTG/emm

cc: Mr. Phil Dwyer, Manager of Public Works, Town of South Bruce Peninsula