

**REPORT TO CORE AREA LIQUID WASTE MANAGEMENT COMMITTEE
MEETING OF WEDNESDAY, NOVEMBER 28, 2012**

SUBJECT **CORE AREA WASTEWATER TREATMENT PROGRAM - GEOTECHNICAL SITE INVESTIGATION, SUB-MARINE PIPELINE CROSSING - AWARD OF CONTRACT**

ISSUE

To recommend the award of a contract for the Victoria Harbour Crossing Geotechnical Site Investigation.

BACKGROUND

Capital Regional District (CRD) staff are in the process of preparing the indicative design and procurement documents for the McLoughlin Point wastewater treatment plant. This procurement includes the new outfall and the Victoria Harbour sub-marine crossing. The CRD requires detailed geotechnical information for the harbor crossing indicative design to supplement the geophysical survey that was completed in September 2010.

A Request for Proposal (RFP) for geotechnical site investigation services for the Victoria Harbour sub-marine crossing was issued on October 30, 2012 by posting on the CRD web site, as well as the BC Provincial procurement web site, www.bcbid.ca. In addition, known contractors believed to be capable of performing the services were contacted to draw their attention to the RFP on BC Bid. The work is required to implement the geotechnical site investigation at the McLoughlin Point site, Ogden Point and the sub-marine pipeline harbour crossing associated with the planned wastewater treatment plant at McLoughlin Point.

The RFP closed on November 14, 2012. The only submission received was from Mud Bay Drilling.

The other firms contacted notifying them of the posting of the RFP included Foundex Exploration Ltd, Sea-to-Sky Drilling Ltd and Drillwell Enterprises Ltd. Both Sea-to-Sky and Drillwell verbally indicated they would consider the RFP, however, due to the normal practice of performing double shift work for the on water work they may not have the necessary resources to respond at this time.

The proposal was evaluated in accordance with the CRD's two envelope submission. The evaluation committee concluded the proponent was technically qualified to perform the work.

The proponent indicated conformance to schedule requirements with respect to McLoughlin site land work, however they could not commit to the schedule for the on water and Ogden Point work, as work could be subject to adverse weather and sea conditions. This schedule clarification is acceptable to the evaluation committee. As such, the evaluation committee reached the conclusion to continue evaluation of the proponent, and opened the financial submission.

Following review of the financial submission, it was agreed that Mud Bay Drilling was acceptable as the preferred proponent. Mud Bay Drilling noted that they are still in discussions with other barge operators in an attempt to secure a larger barge which could lead to a reduction in the overall costs and in particular the weather related stand by time. The unit rates submitted were reviewed and are within the industry norm.

Reference checks were performed by contacting previous clients, who provided positive references.

ALTERNATIVES

That the Core Area Liquid Waste Management Committee recommend to the Capital Regional District Board:

1. That contract MC-002, Geotechnical Site Investigations, Sub-marine Pipeline Crossing, be awarded to Mud Bay Drilling in the upset amount of \$412,940 plus HST; or
2. That contract MC-002 not be awarded.

IMPLICATIONS

The budget (included in the overall Program Budget of \$782.7M) for this work is \$420,000 and includes a contingency for standby time and other variable conditions such as the potential need for additional boreholes.

The budget estimate submitted by the Proponent in the financial proposal, based on the Schedule of Prices (unit rates) and including a separate allowance for standby time is \$412,940 plus HST. The standby allowance is in the range of \$150,000 and related to the on water work. The Six Month Budget for the Core Area Wastewater Treatment Program, approved by the CALWMC Aug 22, 2012, for the period ending Feb 2013, includes an amount of \$150,000 to perform geotechnical work at the McLoughlin site only.

The original intent was to complete the work at McLoughlin as part of the initial Six Month Budget approval and the work at Ogden Point and the harbour crossing would follow shortly thereafter with the approval of funding as part of the 2013 budget. However, as the indicative design advanced and the scope of geotechnical work associated with the harbour crossing and Ogden Point was better defined, it is recommended to proceed with the larger drilling program at this time, which includes the scope of this contract package, in order to maximize cost and schedule efficiencies. It is anticipated the current drilling plan will be completed before the end of February however it could be delayed beyond this date due to adverse weather conditions.

The Six Month Budget includes a Contingency of \$1,000,000 which to date remains unallocated.

The additional funds required in the Six Month Budget for the award of the complete geotechnical work can be allocated from the Six Month Budget Contingency. If approved, the unallocated balance of the Six Month Budget Contingency would be \$687,507.

CONCLUSION

The geotechnical site investigation for the sub-marine Victoria Harbour crossing is required for the indicative design to supplement the geophysical survey that was completed in September 2010. The estimate to complete this work is within the budget established within the overall Program budget.

RECOMMENDATION

That the Core Area Liquid Waste Management Committee recommend to the Capital Regional District Board:

That contract MC-002, Geotechnical Site Investigations, Sub-marine Pipeline Crossing, be awarded to Mud Bay Drilling in the upset amount of \$412,940 plus HST.

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