



**REPORT TO CORE AREA WASTEWATER TREATMENT PROGRAM COMMISSION
MEETING OF FRIDAY, JUNE 14, 2013**

SUBJECT CRAIGFLOWER PUMP STATION - AWARD OF CONTRACT NO. CF-100

ISSUE

To award a contract for the construction of Craigflower pump station, Contract No. CF-100.

BACKGROUND

Craigflower pump station is required to convey wastewater from Langford, Colwood, View Royal, Esquimalt, and Songhees and Esquimalt Nations to the future McLoughlin Wastewater Treatment Plant (WWTP). The pump station was approved as part of the Core Area Wastewater Treatment Program (CAWTP) with partial funding coming from the Government of Canada's Green Infrastructure Fund. The new Craigflower pump station replaces the existing one that was built in 1971 and is necessary to protect human health and the environment by preventing wastewater overflows into Portage Inlet.

The Capital Regional District (CRD) issued a Request for Qualifications (RFQ No. CF-001) earlier this year and pre-qualified seven contractors through that process. In addition, the CRD recently pre-purchased pumps and motors (Contract No. CF-003) which will be assigned over to the general contractor to coordinate delivery and installation of the equipment.

A tender call was issued on April 23, 2013, (IFT No. CF-100) for Craigflower pump station. Six tenders were received on May 31, 2013 from the following pre-qualified tenderers:

TENDERER	TOTAL TENDERED AMOUNT (including GST)
Kinetic Construction Ltd.	\$10,499,491.97
Tritech Group Ltd.	\$11,448,049.00
Jacob Bros. Construction Ltd.	\$11,511,918.77
Kenaidan Contracting Ltd.	\$11,833,500.00
Knappett Projects Inc.	\$11,978,541.16
Maple Reinders Constructors Ltd.	\$12,345,377.63

A detailed evaluation was completed of all the tenders and, during this evaluation, it was noted that the Tender Forms from both Kinetic Construction Ltd. and Tritech Group Ltd. were incomplete and likely non-compliant due to uncertainty of price. Kinetic's bid did not include unit rate or total amount prices for numerous items of work and Tritech submitted a tender amendment reduction of \$4,531,789.24 but did not specify which items of work the reduction pertained to. Without knowing the price information for each item in the Tender, it is impossible

to follow the progress payment provisions in the intended contract. Trittech also did not identify their proposed list of subcontractors, equipment suppliers, or major material suppliers, so staff were not able to fully evaluate their tender. Given the uncertainty of the two tenders, the legal advisors for CAWTP were asked to review all tenders and they provided an opinion that the bids from Kinetic and Trittech are both non-compliant and should not be considered.

The next lowest bid submitted by Jacob Bros. Construction Ltd. was complete, had no errors, complied with the instructions to tenderers and is within the budget allowance for this project. Jacob Bros. Construction Ltd. has previously undertaken contracts with the CRD and is experienced and capable of undertaking the Craigflower pump station project.

ALTERNATIVES

1. That the Core Area Wastewater Treatment Program Commission award the contract for Craigflower pump station (Contract No. CF-100) to Jacob Bros. Construction Ltd. in the amount of \$11,511,918.77 including GST.
2. That the Core Area Wastewater Treatment Program Commission award the contract to another tenderer.

FINANCIAL IMPLICATIONS

Alternative 1: Award of the contract to Jacob Bros. Construction Ltd. in the amount of \$11,511,918.77 including GST is within the approved Authorization for Expenditure for this project and it is the lowest compliant bid.

Alternative 2: Awarding the contract to anyone but the lowest compliant tenderer would likely result in legal action.

\$12,500,000 is included in the CAWTP budget for this project.

CONCLUSION

Craigflower pump station was approved as part of the Core Area Wastewater Treatment Program. The tenders were issued and received in accordance with the CRD's current purchasing policy and were evaluated against tender call requirements. The recommended bid meets tender requirements and is within the budget allowed for the project.

It is anticipated that construction will begin in July 2013 and will be completed in the summer of 2014.

RECOMMENDATION

That the Core Area Wastewater Treatment Program Commission award the contract for Craigflower pump station (Contract No. CF-100) to Jacob Bros. Construction Ltd. in the amount of \$11,511,918.77 including GST.

Malcolm Cowley, P.Eng.
Manager, Conveyance Infrastructure
Core Area Wastewater Treatment Program

Tony Brcic, P.Eng.
Deputy Program Director
Core Area Wastewater Treatment Program
Concurrence

J.A. (Jack) Hull, P.Eng, MBA
Interim Program Director
Core Area Wastewater Treatment Program
Concurrence

MC:hr