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**REPORT TO THE ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, 1 JUNE 2011**

SUBJECT: Construction of the New Salt Spring Island Public Library Building – Award of Contract 11-1689

ISSUE:

Approval of award of contract and construction contingency for the construction of the New Public Library Building for Salt Spring Island.

BACKGROUND

On December 9, 2009 the Board adopted Bylaw # 3612 to amend the Salt Spring Island Public Library Service Area establishment bylaw. This amendment increased the maximum annual requisition in order to pay for the annual cost of the service, including the annual debt and operating costs of a new public library building. The CRD Board also adopted Bylaw No. 3613 to authorize the borrowing of Two Million, Seven Hundred and Fifty Thousand dollars for the construction of the new library building. The Bylaws were passed by referendum of the residents and property owners of Salt Spring Island on December 5, 2009. The Salt Spring Island Public Library Association had received notice of a grant award of \$4,550,984 on September 23, 2009 from the federal/provincial Building Canada Fund towards construction of the new library. A tender call was issued on April 11, 2011, following completion of building design and approval by Islands Trust.

Seven tenders for Contract 11-1689 for General Contractor for construction of the Library were received on or prior to the tender closing date of May 17, 2011 from the following:

Company	Tender
Wilco Construction Ltd	\$6,828,162
Ledcor	\$6,272,826
Kinetic Construction Ltd	\$6,155,520
Deramore Construction Services Inc	\$5,970,000
CMF Construction Ltd	\$5,613,440
C&M Development Inc	\$5,586,000
Knappett Projects Inc	\$5,482,275

All of the tenders have been evaluated by engineering staff against the tender call requirements and checked for accuracy. A tender revision submitted by CMF Construction Ltd was disqualified on the grounds that it was not received prior to the 2:00 PM deadline for faxed revisions as per the instructions to tenderers under Section. 3.5 of the tender call which states that "*Modifications by FAX of tenders already submitted will be considered if received prior to the time set for closing...*" The CRD's legal counsel has confirmed that this tender revision is not acceptable.

The low tender was submitted by Knappett Projects Inc. in the amount of \$5,482,275, including HST.

The tender evaluations were reviewed with representatives of the Salt Spring Island Public Library Association, as agreed with the Association.

The project capital budget also includes a construction contingency of \$268,000. The construction contingency, which is in addition to the budgeted construction contract amount, is to provide for costs related to change orders for any design changes required during construction and any unanticipated necessary archeological, environmental and geotechnical services.

ALTERNATIVES:

1. That Contract 11-1689 Salt Spring Island Public Library construction be awarded to Knappett Projects Inc. in the amount of \$\$5,482,275, including HST
2. That a construction contingency in the amount of \$268,000 for the construction of the Salt Spring Island Public Library building be approved
3. That Contract 11-1689 not be awarded.

FINANCIAL IMPLICATIONS:

Funding for construction of the new Public Library building, totaling \$7,300,984, will be provided under Loan Authorization Bylaw No 3613 in the amount of \$2,750,000 and from the Building Canada Fund grant commitment of \$4,550,984. The recommended tender award price and construction contingency amount are within the capital budget for construction of the building.

CONCLUSION:

Following adoption by the Board and approval by referendum by Salt Spring Island residents and property owners of the necessary bylaws to authorize construction of a new public library and the receipt of Islands Trust approval, tenders were requested for the construction of the library. The tenders received were evaluated against tender call requirements. The recommended tender award meets the requirements and is within the budget allowance for the project. The construction contingency is recommended to provide for any change orders necessary during construction and any unanticipated archeological, environmental and geotechnical services necessary during construction.

RECOMMENDATION:

That the Electoral Area Services Committee recommend to the Board that:

1. Contract 11-1689 Salt Spring Island Public Library construction be awarded to Knappett Projects Inc. in the amount of \$\$5,482,275, including HST
2. A construction contingency in the amount of \$268,000 for the construction of the Salt Spring Island Public Library building be approved.

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