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REPORT TO ELECTORAL AREA SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 4, 2013

SUBJECT **CONSTRUCTION OF NORTH GALIANO FIRE HALL
AWARD OF CONTRACT 13-1762A**

ISSUE

Approval of contract award for the construction of the new North Galiano Fire Hall

BACKGROUND

In December 2012, the taxpayers of North Galiano consented through referendum to the construction of a new fire hall for the North Galiano Fire Protection and Emergency Response Service.

In June 2013, Capital Regional District (CRD) staff issued a tender for construction of the fire hall. A total of seven (7) bids were received and opened on June 13, 2013. They all exceeded the project's capital budget of \$550,000 for construction; therefore, the tender was cancelled.

At the Commission's direction, the building design was modified and the project was re-issued for tender on July 12, 2013. A total of four (4) bids were received and opened on July 31, 2013:

<u>Company</u>	<u>Tender Price</u>
Parma Construction	\$709,680.30
Lake Construction	\$706,755.00
Island West Coast Developments	\$681,027.00
Century Group Inc.	\$629,756.50

Once again, all the bids exceeded the project's capital budget. In accordance with the CRD procurement policy and the tender process rules, the Commission directed CRD staff to work with the lowest bidder in order to identify construction cost savings without compromising the project plan. As a result, the tender price was reduced to \$516,724 (including tax).

The Commission and CRD staff concur with the cost containment strategies (e.g.: doing the civil works under a separate contract, procuring alternate windows) that resulted in the reduced price. Consequently, the Commission endorses that that 13-1762A be awarded to Century Group Inc.

ALTERNATIVES

1. That Contract 13-1762A, Construction of the North Galiano Fire Hall, be awarded to Century Group Inc. in the amount of \$516,724 (including tax).
2. That Contract 13-1762A not be awarded.

FINANCIAL IMPLICATIONS

Funding for construction of the North Galiano Fire Hall will come primarily from MFA financing (authorized by Bylaw 3844 North Galiano Island Fire Hall Loan Authorization) along with a contribution of \$18,400 from the capital reserve fund.

CONCLUSION

Construction of a new fire hall for the North Galiano Fire Protection and Emergency Response Service is proceeding as authorized by referendum in 2012. Two tender processes were required in order to arrive at a contract price that falls within the project budget.

The Commission and CRD staff concur with the construction cost savings, identified in collaboration with the lowest bidder, that resulted in the proposed price of \$516,724 (including tax). Consequently, the Commission endorses that that 13-1762A be awarded to Century Group Inc.

RECOMMENDATION

The Electoral Area Services Committee recommends to the Board:

That Contract 13-1762A, Construction of the North Galiano Fire Hall, be awarded to Century Group Inc. in the amount of \$516,724 (including tax).

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