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**REPORT TO HIGHLAND WATER AND SEWER LOCAL SERVICES COMMITTEE
AND FERNWOOD WATER LOCAL SERVICE COMMITTEE
MEETING OF FRIDAY 14 AUGUST 2009**

**SUBJECT HIGHLAND AND FERNWOOD WATER SYSTEMS – INSTALLATION OF UNDERWATER
WATERMAIN – AWARD OF CONTRACT 09-1630**

PURPOSE

To seek approval for the award of installation of an underwater watermain in St. Mary Lake, Salt Spring Island to benefit the Highland and Fernwood water systems.

BACKGROUND

The Highland water service applied for and was awarded a Province of BC infrastructure grant in 2006 for the construction of a water treatment facility and the associated works, including the underwater pipeline to interconnect the Highland and Fernwood water systems. The grant was for two-thirds of a \$1,439,000 project. In March 2009, both the Highland and Fernwood water service area residents and electors voted to borrow monies to cover the cost of the initial project, as well as other works. The total budget for the approved project is \$1,918,900, of which the Highland and Fernwood water services will contribute \$739,880 and \$221,420 respectively, with the province providing the balance of \$957,600 as an infrastructure grant.

The main components of the original project were to upgrade the water treatment facility at the Highland water treatment plant to meet the current water quality guidelines and to include sufficient capacity to accommodate the proposed interconnection of the Highland and Fernwood water systems. To this end, an underwater watermain connecting the two systems was proposed.

The condition of the existing Highland water treatment plant is of significant concern. The construction of this interconnecting main could provide coverage from the existing Fernwood system for Highland if its filtration system failed. Any delay in this project could cause significant hardship for the Highland service if the condition of its filtration system further deteriorates.

Tenders for Contract 09-1630 *Highland-Fernwood Water Systems – Installation of Underwater Watermain* were received on 09 June 2009 as follows:

<u>Company</u>	<u>Tender Price</u>
Fournier Excavating Ltd.	\$222,996.90
Can-Dive Construction Ltd.	\$242,025.00
Fraser Burrard Diving Ltd.	\$327,602.12

The tenders were reviewed for content and accuracy. The low tender from Fournier Excavating Ltd. complies with the instructions to tenderers.

ALTERNATIVES

1. That the Highland Water and Sewer Local Services Committee and the Fernwood Water Local Service Committee recommend to the CRD Board that Contract 09-1630 *Highland-Fernwood Water Systems – Installation of Underwater Watermain* be awarded to the low tenderer, Fournier Excavating Ltd., in the amount of \$222,996.90; and that funding be provided from the capital project budget for the Highland

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Re: Award of Contract 09-1630

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water project which has been awarded provincial infrastructure monies up to two-thirds of the original \$1,439,000 project.

2. That the Highland Water and Sewer Local Services Committee and the Fernwood Water Local Service Committee not recommend the work at this time.

FINANCIAL IMPLICATIONS

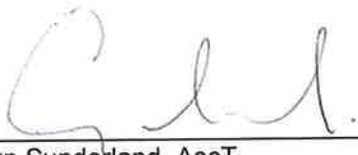
Funding is from the \$1,439,000 original project budget for these works, of which the Province of BC is providing two-thirds of the project cost. As of 26 June 2009 there is \$775,555 remaining in this capital project. The low bid from Fournier Excavating Ltd., in the amount of \$222,996.90, includes a \$30,000 contingency amount. The overall budget for this portion of the project is \$200,000. When engineering, contingency and regulatory approvals are taken into consideration, it is estimated that the overall cost of the interconnection will fall between \$220,000 and \$250,000. The additional \$20,000 - 50,000 required to complete this task may be recoverable through cost savings on other project work. If such savings are not achieved, reductions in the scope of work for distribution upgrades, increases in overall project funding, or some combination thereof would be required.

SUMMARY

An interconnecting pipeline between the Highland and Fernwood water systems, which are two services operated by the Capital Regional District (CRD), adjacent to each other on St. Mary Lake, Salt Spring Island, is required to supply water from the proposed water treatment facility to both systems. The location within St. Mary Lake is more direct and considerably less expensive than a pipeline installed along Ministry of Transportation road allowances. Approval from the various government agencies to install this pipe within the lake have been or are in the process of being obtained.

RECOMMENDATION

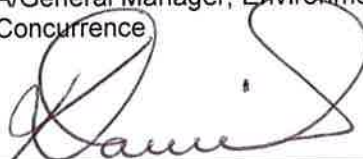
That the Highland Water and Sewer Local Services Committee and the Fernwood Water Local Service Committee recommend to the CRD Board that Contract 09-1630 *Highland-Fernwood Water Systems – Installation of Underwater Watermain* be awarded to the low tenderer, Fournier Excavating Ltd., in the amount of \$222,996.90; and that funding be provided from the capital project budget for the Highland water project which has been awarded provincial infrastructure monies up to two-thirds of the original \$1,439,000 project.



Colwyn Sunderland, AscT
Local Services Engineering Coordinator



Larisa Hutcheson, PEng
A/General Manager, Environmental Services
Concurrence



Kelly Daniels
CAO Concurrence

COMMENTS

CS:ls