



**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION  
MEETING OF TUESDAY, JANUARY 7, 2014**

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**SUBJECT**      **EXTENSION OF THE AWARD OF CONTRACT FOR SUPPLY OF PAVING SERVICES**

**ISSUE**

To recommend the extension of the award of the contract for the supply of paving services for one year (2014) of two extensions allowed for under the current contract awarded in 2012 to Capital City Paving Ltd.

**BACKGROUND**

The Juan de Fuca Water Distribution Commission recently approved the 2014 Capital and Operating Budget on November 5, 2013. There are a number of projects planned for 2014 with a total value of \$7,524,000, plus \$677,000 in project cost shared with the Regional Water Supply Service. The major expenditure in 2014 includes the continuation of the annual small diameter water main replacement program (\$2.244 million) and the five-year fire flow upgrade program (\$1.880 million) primarily within the Juan de Fuca Water Service area. There are other maintenance works that are also performed throughout the region as required.

As part of the delivery of the annual capital and operating programs, the work typically involves the restoration of the asphalt pavement. This work is a contracted service. The current contract for supply of paving services was awarded in 2012 to Capital City Paving Ltd. The current contract includes an extension clause for two one-year term extensions. 2014 would be the first year of the two one-year extensions allowed for in the contract.

In undertaking the capital and operating programs, the Capital Regional District (CRD) works very closely with the various municipalities (in particular Fire and Engineering departments) to ensure the works are coordinated to minimize disruption and to determine if there are any synergies that may be realized as part of the municipal annual capital programs. The CRD is satisfied with the services being provided by the contractor and is in agreement to extend the contract for one year as allowed for in the contract. The current contract expires February 28, 2014. The contract for supply of paving services will need to be retendered in 2016 if a further one-year contract extension is approved in 2015.

The authority to approve contracts is outlined in the *Capital Regional District Delegation Bylaw No. 1, 2001* (a Bylaw to Delegate Powers, Duties and Functions of the Capital Regional District Board). According to the bylaw, the Commission has the authority to approve contracts over \$200,000.

As the extension of the award of supply of paving services contract is over \$200,000, the Juan de Fuca Water Distribution Commission's approval is required. The value of the contract for 2013 was approximately \$880,000. It is expected that the 2014 contract will be of similar value.

**ALTERNATIVES**

1. Approve the extension of the award of the contract for the supply of paving services to Capital City Paving Ltd. for one year, effective March 1, 2014, based on the price per unit of measurement as submitted in the 2012 tender, not including taxes.
2. Not approve the extension of the award of the contract for the supply of paving services and retender the paving services.

**IMPLICATIONS**

1. Under Alternative 1, the works would proceed immediately, enabling the Juan de Fuca Water Distribution Service area to proceed with the approved annual capital and operating programs.
2. Under Alternative 2, not approving the contract extension would require a new tender for paving services, which could impact paving services and budgets for annual capital and operating programs.

**CONCLUSION**

As the current contract for paving services includes an extension clause for two one-year term extensions and that the CRD is satisfied with the current services, it is recommended that the Commission approve a one-year extension.

**RECOMMENDATION**

That the Juan de Fuca Water Distribution Commission approve the extension of the award of the contract for the supply of paving services to Capital City Paving Ltd. for one year, effective March 1, 2014, based on the price per unit of measurement as submitted in the 2012 tender, not including taxes.



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Concurrence

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