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**REPORT TO LYALL HARBOUR / BOOT COVE WATER LOCAL SERVICE COMMITTEE
MEETING OF TUESDAY 11 OCTOBER 2011**

SUBJECT AWARD OF CONTRACT NO. 2011-537 - LYALL HARBOUR-BOOT COVE RESERVOIR

ISSUE

A contract is required for the construction of a water storage reservoir for the Lyall Harbour/Boot Cove water system on Saturna Island.

BACKGROUND

The Lyall Harbour/Boot Cove water system is undergoing several planned capital improvements including the installation of customer meters, water treatment upgrading and construction of a storage reservoir. The customer meter project is complete and the water treatment work is being tendered separately from the storage reservoir project.

The Capital Regional District (CRD) issued a public tender for the construction of the water storage reservoir and two tenders were received by the CRD's Purchaser by the closing time on September 30, 2011, and they are summarized as follows:

TENDERER	TENDERED PRICE (including HST)
1. Stone Pacific Contracting Ltd.	
Option A, 30,000 lg tank c/w concrete base slab	\$ 288,495.15*
Option B, 40,000 lg tank c/w concrete base slab	\$ 301,747.57*
Option C, 30,000 lg tank c/w steel granular base	\$ 273,770.23*
Option D, 40,000 lg tank c/w steel granular base	\$ 290,420.71*
2. Pye Construction Ltd.	
Option A, 30,000 lg tank c/w Concrete base slab	\$ 301,101.92
Option B, 40,000 lg tank c/w Concrete base slab	\$ 314,167.84
Option C, 30,000 lg tank c/w steel granular base	\$ 283,225.60*
Option D, 40,000 lg tank c/w steel granular base	\$ 299,042.24*

*- corrected

The CRD's engineering consultant, Genivar Consultants Inc., has conducted a detailed evaluation of the tenders and have concluded that the submissions from Stone Pacific Contracting Ltd. for all options are the lowest eligible bids. Two tank volumes were tendered 30,000 Imperial gallons (lg) and 40,000 lg, as well as two different base structures, one concrete base with the tank base embedded in the concrete, and the other a steel base situated directly on granular bedding for comparison. The reservoir is to be located within an existing right-of-way on private property that was negotiated and registered on title in 2005.

ALTERNATIVES

1. That the Lyall Harbour/Boot Cove Water Local Service Committee recommend to the Capital Regional District Board that a contract for construction of the 30,000 lg water reservoir (Tender Reference No. 2011-537) be awarded to Stone Pacific Contracting Ltd. for the amount of \$273,770.23 including HST.

2. That the Lyall Harbour / Boot Cove Water Local Service Committee receive this report for information.

IMPLICATIONS

Alternative 1

Award the project to Stone Pacific Contracting Ltd. for a 30,000 lg bolted steel storage reservoir, in the amount of \$273,770.23, which is reasonable value and within the budgeted amount for the reservoir project.

The 30,000 lg volume consists of 20,000 lg for balancing storage to reduce the peak flow rate through the treatment plant and 10,000 lg for fire protection to the Community Recreation Centre as is currently provided by an existing reservoir that was specifically installed for the benefit of the recreation centre. It is proposed to drain the existing reservoir and have it on standby should the new reservoir be taken out of service for maintenance, resulting in uninterrupted fire protection for the recreation centre. Emergency and fire protection storage volumes, other than that for the recreation centre, have not been considered in the proposed reservoir volume of 30,000 lg.

Alternative 2

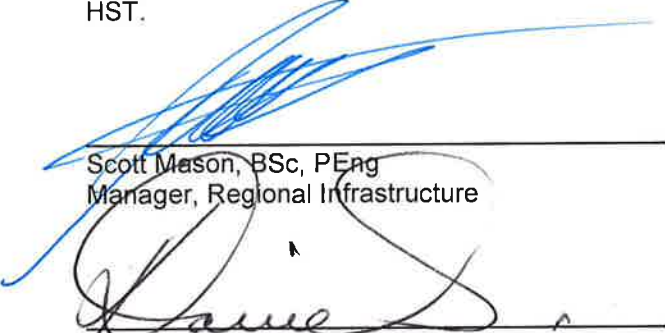
If a construction contract is not awarded for balancing storage to the community, the treatment process equipment will have to be sized to treat the peak hour demand in excess of 100 Imp. gallons per minute versus the design flow rate of 30 Imp. gallons per minute with the tank.

CONCLUSION

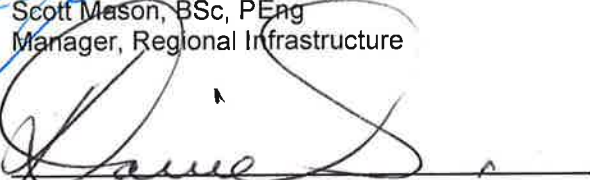
The bid received from Stone Pacific Contracting Ltd. for the 30,000 lg steel tank, in the amount of \$273,770.23 including HST, meets the terms of the tender and is within the project budget for the reservoir.

RECOMMENDATION

That the Lyall Harbour/Boot Cove Water Local Service Committee recommend to the Capital Regional District Board that a contract for construction of the 30,000 lg water reservoir (Tender Reference No. 2011-537) be awarded to Stone Pacific Contracting Ltd. for the amount of \$273,770.23 including HST.

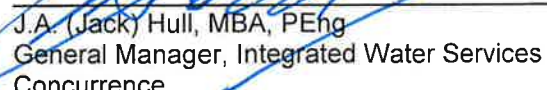


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COMMENTS