



Making a difference....together

MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE

Notice of Meeting on **Tuesday, May 3, 2016 at 9:30 am**

Pender Island Fire Hall, 4423 Bedwell Harbour Road, Pender Island, BC

J. Petrie (Chair)
Director D. Howe

M. Steel
C. Rodash

K. Heslop
A. Wilson

J. Gill

AGENDA

1. Approval of Agenda
2. Chart Drive Septic System Replacement Receipt of Tenders
2016-149 and 2016-150 - Award of Contract (staff report)
3. New Business
4. Adjournment

To ensure quorum, advise Lorrie Siemens 250.360.3087 or lsiemens@crd.bc.ca if you cannot attend.



Making a difference...together

**REPORT TO THE MAGIC LAKE ESTATES WATER AND SEWER COMMITTEE
MEETING OF TUESDAY, MAY 3, 2016**

**SUBJECT CHART DRIVE SEPTIC SYSTEM REPLACEMENT RECEIPT OF TENDERS
2016-149 AND 2016-150 - AWARD OF CONTRACT**

ISSUE

The purpose of this report is to request the Magic Lake Estates Sewer & Water Committee (MLESWC) approve a contract to replace the existing Chart Drive Septic Disposal System

BACKGROUND

The Chart Drive Septic Disposal System was constructed in the 1960's to provide treatment for 19 adjacent properties. The disposal field reached the end of its life in 2014 and at their September 8, 2015 meeting, the committee directed staff to *"complete tender ready designs for Option 2b (new dosing tank and raised bed synthetic media septic field) and Option 4 (pump station and forcemain) and proceed to tender once funding is approved and bring a recommendation back to the committee for approval"*.

Since that time, funding has been approved through an Alternative Approval Process (AAP) and Urban Systems Ltd (USL) completed the two alternative designs for replacing the Chart Drive septic system. The total approved project budget for the Chart Drive septic system replacement project is \$810,000.

Two tenders, (one for Option 2b and the other for Option 4), were issued on March 14 and closed on April 13, 2016. Three tenders were received, but upon review, (and with legal advice), all three were determined to be "non-compliant". Therefore, those tenders were cancelled and two new tenders were re-issued for a one-week duration and closed on April 29, 2016. Three tenders were received as follows:

Tenderers	Septic Field Replacement (Option 2b) Tender No. 2016-149		Pump Station & Forcemain (Option 4) Tender No. 2016-150	
	Bid Amount	Lifecycle Cost NPV	Bid Amount	Lifecycle Cost NPV
Coast Environmental	\$495,090.65	\$698,518.68		
Stone Pacific Contracting Ltd			\$539,298.90	\$599,336.41
Saanichton Development Ltd			\$597,781.80	\$657,696.77

At the March 8, 2016 MLESWC meeting, the committee directed staff to include lifecycle costing analysis in the tender evaluation. Therefore, the net present value (NPV) of the tenders are also included in the above table based on cost information provided by the tenderers for a 75 year life-cycle cost analysis.

The Stone Pacific and Saanichton Development tenders were checked for completeness and accuracy and were generally found to be in order however, the tender from Coast Environmental contained irregularities and, based on legal review, it has been determined that their tender is “non-compliant”.

The tenderers references were reviewed by our design consultant, USL, who indicated that these companies have the capabilities of undertaking this project. USL, confirmed that the tender with lowest net present value cost, and the one that provides the best long term financial value to Magic Lake Estates is the one submitted by Stone Pacific.

Project Budget

The project plan included a breakdown of the budget as outlined in the table below:

Task	Budget
Engineering and Administration	\$150,000
Construction Contract (including construction contingency)	\$540,000
Construction Services (consultant and operations)	\$70,000
Project Contingency	\$50,000
Total Project	\$810,000

Comparing the tender received against the approved project budget, it is confirmed that the tender submitted by and Stone Pacific Contracting Ltd. is within budget.

ALTERNATIVES

Alternative 1

That the Magic Lake Estates Water and Sewer Committee direct staff to:

1. Cancel Tender No. 2016-149; and
2. Award a contract for Chart Drive Septic Disposal System Replacement Project (Contract 2016-150) to Stone Pacific Contracting Ltd in the amount of \$539,298.90, including \$30,000 construction contingency and taxes.

Alternative 2

That the Magic Lake Estates Water and Sewer Committee direct staff to award the contract to another Tenderer.

IMPLICATIONS

Alternative 1 – the tender submitted by Stone Pacific Contracting Ltd. is compliant and meets the terms of the tender documents. It is the lowest cost for Tender No. 2016-150, it has the lowest overall net present value cost, and it is within the approved budget for this project. The CRD’s consultant, USL, has reviewed Stone Pacific’s tender and completed a reference check, and they are satisfied that Stone Pacific is capable of undertaking this contract.

Alternative 2 – awarding a contract to another tenderer will result in a higher net present value cost and could have the potential for additional legal implications and costs and is not recommended by the CRD's legal advisers.

CONCLUSION

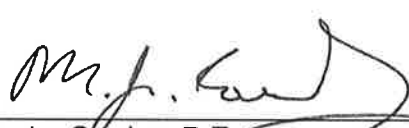
The Chart Drive Septic System has failed and requires replacement to eliminate the ongoing expenses of \$1,000/week for pump/hauling of the wastewater to the Schooner sewer system. Two alternative solutions were designed and tendered (Option 2b for a new septic system, and Option 4 for a new pump station and forcemain). Three tenders were received on April 29, 2016: one for the septic system alternative (Tender No. 2016-149) and two for the pump station alternative (Tender No. 2016-150). Urban Systems Ltd reviewed the tenders and confirmed that the tender submitted by Stone Pacific Contracting Ltd. is compliant, has the lowest lifecycle cost, is within budget, and provides the best value to the Magic Lake Estates community.

RECOMMENDATIONS

That the Magic Lake Estates Water and Sewer Committee direct staff to:

1. Cancel Tender No. 2016-149; and
2. Award a contract for Chart Drive Septic Disposal System Replacement Project (Contract 2016-150) to Stone Pacific Contracting Ltd in the amount of \$539,298.90, including \$30,000 construction contingency and taxes.



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Concurrence

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