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Agenda Item #8
REPORT #RWSC 2008- 05

**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, 20 FEBRUARY 2008**

SUBJECT SOOKE SUPPLY MAIN, PHASE 2 – AWARD OF CONSTRUCTION CONTRACT

PURPOSE

To recommend award of the contract for construction of Phase 2 of the new supply main to Sooke.

BACKGROUND

Construction of the new supply pipeline to Sooke was divided into three phases for ease of construction. Phase 1 was awarded to Aggressive Excavating Ltd. at the November 21, 2007 meeting of the Regional Water Supply Commission at a price of \$3,089,038.20 (including GST).

Tenders for Phase 2 of the pipeline project closed on February 8, 2008. A total of 9 tenders were received and reviewed by the engineering consultant, Associated Engineering Ltd. (see attached Feb 12/08 letter from Associated Engineering). Staff and the consultant recommend that Phase 2 be awarded to the low bidder, Scansa Construction, at a price of \$4,615,986.50 (including GST).

ALTERNATIVES

1. Award the contract for construction of Phase 2 of the new supply main to Sooke to the low bidder, Scansa Construction Ltd.
2. Award the contract to one of the other bidders.

FINANCIAL IMPLICATIONS

Alternative 1 - The low tender of \$4,615,986.50 (including GST) from Scansa Construction Ltd. is close to the pre-tender estimate. Scansa Construction, is known to both staff and the engineering consultant, and has performed similar projects in an acceptable manner in the past.

The 2008 Capital Budget includes \$18,400,000 for the construction of a new supply line to Sooke. Based on the bids received for Phases 1 and 2, the project as a whole is expected to be within established budgets.

Alternative 2 - Awarding to one of the other bidders would increase project costs and likely result in a legal challenge for rejecting the lowest compliant tender.

RECOMMENDATION

That the Regional Water Supply Commission award the contract for construction of Phase 2 of the Sooke Supply Main to Scansa Construction Ltd., at a total tendered price of \$4,615,986.50 (including GST).

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