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Agenda Item #8
REPORT #RWSC 2008-17

**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, 17 SEPTEMBER 2008**

SUBJECT AWARD OF TENDER FOR SEISMIC UPGRADING OF KAPOOR TUNNEL HEAD TANK AND JAPAN GULCH SCREENING TOWER

PURPOSE

To award the tender for the seismic upgrading of the Kapoor Tunnel Head Tank and Japan Gulch Screening Tower.

BACKGROUND

The Kapoor Tunnel Head Tank is located at the upstream end of the Kapoor Tunnel and is part of the Sooke Reservoir water supply system.

The Japan Gulch Screening Tower is required when the Goldstream Reservoirs are being used for water supply and is situated immediately downstream of Japan Gulch Reservoir. The purpose of the Japan Gulch Screening Tower is to screen out debris from the water supply system.

The Kapoor Tunnel Head Tank and Japan Gulch Screening Tower were evaluated for seismic stability in 2007 by an engineering consultant, Delcan Engineering. Both structures do not meet the current seismic code. Delcan designed works for both structures so that the structures meet the seismic code.

Seismic upgrade work on the Kapoor Tunnel Head Tank and the Japan Gulch Screening Tower was originally tendered in October 2007. One bid was received from Rocky Point Metalcraft Ltd. at \$860,338.77. Since this exceeded the budget and only one bid was received, the tender was not awarded. It was hoped that more than one bid would be received when the project was re-tendered in 2008. However, when the work was re-tendered in 2008, only one bid was received again. The lone bid was submitted by Rocky Point Metalcraft Ltd. again. The amount of the bid was \$910,354.20.

ALTERNATIVES

- Alternative 1 – Do not award the contract.
- Alternative 2 – Award the contract to Rocky Point Metalcraft Ltd.

FINANCIAL IMPLICATIONS

Alternative 1

If the work is not done at this time, an earthquake could cause a disruption in the water supply from Sooke Reservoir if the Kapoor Tunnel Head Tank is damaged. If the Sooke Reservoir water supply system is not operational, we could switch to the Goldstream water supply system however, the Japan Gulch Screening Tower, which is part of the Goldstream water supply system, could also be damaged in an earthquake. In this case, it is possible that we would not have screened water, as pipe work that bypasses the Japan Gulch Screening Tower would have to be used if these pipes are intact.

The cost of repairing these structures after an earthquake would likely be higher than if the structures are upgraded.

Alternative 2

Award the contract to Rocky Point Metalcraft Ltd. in the amount of \$910,354.20 (including GST). This compares to \$688,000. estimated by the engineering consultant in 2007.

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Delcan will be supervising construction for 4 hours per visit 4 times per week. Delcan assumed a construction period of 8 weeks for the purpose of estimating their costs.

The work cannot proceed until 2009 because of operational constraints.

Cost of proceeding with this project in 2009 is estimated as follows:

Construction Contract	\$910,354	
Delcan's Costs for Re-Tendering	6,300	
Delcan's Inspection Costs	30,000	
CRD Costs	<u>12,000</u>	
TOTAL	\$954,354	Say \$960,000
Remaining 2008 Budget		<u>\$727,000</u>
Additional Funding Required		\$233,000

\$727,000 will be carried forward to 2009 and an additional \$233,000 included in the 2009 budget.

RECOMMENDATION

That the Regional Water Supply Commission award the contract for the Seismic Upgrade of the Kapoor Tunnel Head Tank and the Japan Gulch Screening Tower to Rocky Point Metalcraft Ltd. in the amount of \$910,354.20 (including GST), with work to proceed in 2009.

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