



**REPORT TO REGIONAL WATER SUPPLY COMMISSION  
MEETING OF WEDNESDAY, 16 SEPTEMBER 2009**

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**SUBJECT** TRANSMISSION MAIN NO. 2 REPLACEMENT PROJECT, PHASE 1  
AWARD OF CONSTRUCTION CONTRACT

**PURPOSE**

To recommend the award of the contract to G&E Equipment Rentals Ltd. for Phase 1 of the Transmission Main No. 2 Replacement Project.

**BACKGROUND**

The eastern section of Transmission Main No. 2 scheduled for upgrading and construction is proposed to be completed in two phases. Both phases will include the reconstruction of approximately 2,200 m of 760 mm diameter pipe within the City of Victoria along Craigflower, Raynor, Tyee, Bay, Pleasant, Hillside, Turner, and David Streets. The engineering design and tendering for the first phase has been completed and bids have been received as of August 31, 2009.

Seven tender submissions were received for the work on or before the tender closing time and the tenders have been reviewed. One tender was determined to be invalid because it did not contain the required acknowledgement of receipt of Addendum No. 2. The valid tenders ranged in price from a low amount of \$2,172,870.00 to \$2,840,499.99 and they are summarized as follows in ascending order:

<b>Tenderer</b>	<b>Bid amount (including GST)</b>
G&E Equipment Rentals Ltd.	\$2,172,870.00
Pedre Contractors Ltd.	\$2,373,000.00
Aggressive Excavating Ltd.	\$2,417,705.01
Chew Construction Ltd.	\$2,458,537.20
Brunnell Construction Ltd.	\$2,599,998.00
Scansa Construction Ltd.	\$2,840,499.99
Don Mann Excavating Ltd.	Invalid – no acknowledgement of Addendum No. 2

The lowest eligible tender was submitted by G&E Equipment Rentals Ltd. G&E Equipment is known to both the Capital Regional District (CRD) staff and the consulting engineer and is deemed to be capable of completing the project. G&E has completed projects for the CRD in the past, including a phase of the Main No. 1 replacement project.

**ALTERNATIVES**

1. Award the contract to G&E Equipment Rentals Ltd.
2. Award the contract to another Tenderer.

**FINANCIAL IMPLICATIONS**

Alternative 1 – Awarding the contract to G&E Equipment Rentals Ltd. for \$2,172,870.00, which is within the budget amount for this phase of the overall project. Financial risk exists with this type of project located within developed corridors and therefore, a contingency has been included in the tendered price.

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Alternative 2- Awarding the contract to one of the other bidders without a valid reason would increase the cost of construction, and likely result in legal action by the low bidder.

SUMMARY

In conclusion, the bid received from G&E Equipment Rentals Ltd. meets the terms of the tender and project budget and it is recommended that they be awarded a contract.

RECOMMENDATION

That the Regional Water Supply Commission award the construction contract to G&E Equipment Rentals Ltd. in the amount of \$2,172,870.00 (including GST) for the Transmission Main No. 2 Replacement Project, Phase 1.

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Concurrence