



**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, JUNE 16, 2010**

SUBJECT TRANSMISSION MAIN NO. 14, PHASE 1, PROJECT - AWARD OF CONSTRUCTION CONTRACT

PURPOSE

To recommend the award of a contract to Chew Construction Ltd. for the Transmission Main No. 14, Phase 1, Project.

BACKGROUND

Transmission Main No. 14 generally supplies water from the regional transmission system at Goldstream Avenue in Langford northward along Veterans Memorial Parkway and Millstream Avenue to the District of Highlands. This proposed project is the last of two phases of main installation along Millstream Road between the intersection of Treanor Avenue and District of Highlands border within the City of Langford. This phase specifically consists of 700 m of 400 mm diameter pipe along Millstream Road between the intersections of Treanor Avenue and Hordon Road.

The proposed work was publically tendered and five tenders were received by the tender closing time on May 27, 2010 and they are summarized as follows:

TENDERER	TOTAL TENDERED AMOUNT (INCLUDING GST)
Chew Construction Ltd.	\$655,402.65
Scansa Construction Ltd.	\$716,175.04
G&E Equipment Rentals Ltd.	\$765,870.00
Copley Bros. Construction Ltd.	\$795,666.90
Excel Contractors Ltd.	\$894,621.00

The lowest eligible tender was submitted by Chew Construction Ltd. of Victoria. Chew Construction is known to both the Capital Regional District (CRD) staff and the consulting engineer and they are deemed to be capable of completing the project. Chew Construction has completed projects for the CRD in the past, including a section of the Main #1 replacement project.

ALTERNATIVES

1. Award the contract to Chew Construction Ltd.
2. Award the contract to another tenderer.

FINANCIAL IMPLICATIONS

Alternative 1 – Award the contract to Chew Construction for \$655,402.65, 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.


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

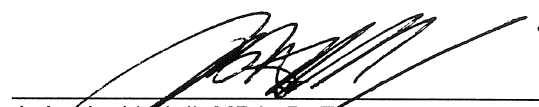
In conclusion, the bid received from Chew Construction Ltd. meets the terms of the tender and project budget and it is recommended that they be awarded a contract.

RECOMMENDATION

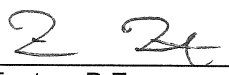
That the Regional Water Supply Commission award the construction contract to Chew Construction Ltd. in the amount of \$655,402.65 (including GST) for the Transmission Main No. 14, Phase 1, Project.



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