



**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 5, 2012**

SUBJECT **MAIN NO. 8 CROSSING OF BILSTON CREEK (TENDER REF. NO. 2012-712)
AWARD OF CONSTRUCTION CONTRACT**

ISSUE

To recommend the award of a contract to Brunnell Construction Ltd. for the Main No. 8 Crossing of Bilston Creek.

BACKGROUND

The Capital Regional District (CRD) recently issued a public tender for the Main No. 8 Crossing of Bilston Creek. The 2012 project capital work includes the replacement of both the existing 450mm supply main and the 300mm distribution main across Bilston Creek on Happy Valley Road.

Three tenders were received by the CRD's Purchaser by the closing time on August 7, 2012, and they are summarized as follows:

TENDERER	TOTAL TENDERED AMOUNT (excluding HST)
1. G & E Contracting L.P.	\$197,000.00
2. Scansa Construction Ltd.	\$191,400.00
3. Brunnell Construction Ltd.	\$146,425.00

The CRD's engineering consultant, Tetra Tech WEI Inc., has conducted a detailed evaluation of the tenders and has concluded that the submission from Brunnell Construction Ltd. is the lowest eligible bid. The tendered amount is reasonable value and is within the budget for the capital improvements.

The Regional Water Supply Commission (RWSC) and Juan de Fuca Water Distribution Commission (JWDC) have approved amounts in their 2012 capital budgets for the project of \$500,000.00 and \$100,000.00 respectively. The project expenditures include CRD staff effort, engineering consulting, and construction. The total tendered amount of \$146,425.00 is less than the total available budget for construction.

Based on the proportional sharing between the two water services, the cost to the RWSC and JWDC for construction (Brunnell's amount) would be \$89,492.50 and \$56,932.50, excluding HST, respectively. Approval of award from both RWSC and the JWDC is required to award the work to the contractor.

ALTERNATIVES

Alternative 1. Award the construction contract to Brunnell Construction Ltd. for \$146,425.00, excluding HST, for the Main No. 8 Crossing of Bilston Creek (Tender No. 2012-712), subject to the Juan de Fuca Water Distribution Commission adopting a recommendation to award the same contract.

Alternative 2. Award the contract to another tenderer.

FINANCIAL IMPLICATIONS

Alternative 1 - Awarding the contract to Brunnell Construction Ltd. for \$146,425.00, plus HST is within the budgeted amount for the capital project.

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

CONCLUSION

In summary, the tender received from Brunnell Construction Ltd. for \$146,425.00, plus HST, meets the terms of the tender and project budget and it is recommended that Brunnell Construction Ltd. be awarded the contract. The cost of the project will be shared between the RWSC and JWDC in the amount of \$89,492.50 and \$56,932.50, plus HST, respectively.

RECOMMENDATION

That the Regional Water Supply Commission award a construction contract to Brunnell Construction Ltd. for \$146,425.00, excluding HST, for the Main No. 8 Crossing of Bilston Creek (Tender No. 2012-712), subject to the Juan de Fuca Water Distribution Commission adopting a recommendation to award the same contract.

Scott Mason, B.Sc., P.Eng.
Manager, Regional Infrastructure

Ted Robbins, B.Sc., C. Tech.
A/General Manager, Integrated Water Services
Concurrence

Tim Tanton, MPA, P.Eng.
Senior Manager, Infrastructure Engineering

SM:ls