



Making a difference...together

Agenda Item #8  
REPORT #JWDC 2014 - 06

**REPORT TO JUAN DE FUCA WATER DISTRIBUTION COMMISSION  
MEETING OF TUESDAY, APRIL 1, 2014**

---

**SUBJECT**      **EXTENSION OF CONTRACT NO. 2013-754 SUPPLY OF RENTAL EQUIPMENT -  
HYDROVAC TRUCK AND OPERATOR SERVICES**

**ISSUE**

To recommend the extension of the award of the contract for the supply of Hydro Vac Truck and Operator services for one year (2014) of the three extensions allowed under the current contract awarded in 2013 to McRae's Environmental Service.

**BACKGROUND**

The Juan de Fuca Water Distribution Commission recently approved the 2014 Capital and Operating Budget on November 5, 2013. There are a number of projects planned for 2014 with a total value of \$7,524,000, plus \$677,000 in projects cost shared with the Regional Water Supply service. The major expenditure in 2014 includes the continuation of the water distribution main replacement program (\$2.244 million) and the five-year fire flow upgrade program (\$1.880 million) primarily within the Juan de Fuca Water service area. There are other maintenance works that are also performed throughout the service area as required.

As part of the delivery of the annual capital and operating programs, the construction team utilizes a HydroVac Truck and operator. HydroVacing is the process of using a non-invasive technique for removing soil/gravel using water. The use of a HydroVac truck eliminates unnecessary utility strikes and damage to private and public property. The efficiency increase using this type of equipment is saving all our valued stakeholders time, money and is the safest way to excavate available.

The current contract for supply of this service was awarded to McRae's Environmental Services Ltd. in 2013. The one-year contract includes an extension clause for three one-year term extensions. 2014 would be the first year of the three one-year extensions allowed in the contract.

The Juan de Fuca Water Distribution Commission's authority to approve contracts is outlined in the *Capital Regional District Delegation Bylaw No. 1, 2001* (a Bylaw to Delegate Powers, Duties and Functions of the Capital Regional District Board). Accordingly, the Commission has the authority to approve contracts over \$200,000. As the extension of the HydroVac Truck and Operator services contract is over \$200,000, the Juan de Fuca Water Distribution Commission's approval is required. The value of the contract for 2013 was approximately \$324,431. It is expected that the 2014 contract will be of similar value.

**ALTERNATIVES**

Alternative 1: That the Juan de Fuca Water Distribution Commission approve the extension of the award of the contract for the supply of HydroVac Truck and Operator services to MacRae's Ltd. for one year, effective April 1, 2014, based on the hourly/daily rates as submitted in the 2013 tender, not including taxes.

Alternative 2: That the Juan de Fuca Water Distribution Commission not approve the extension of the award of the contract for the supply of HydroVac Truck and Operator services and retender the HydroVac Truck and Operator services.

### **IMPLICATIONS**

Under Alternative 1, the current construction methods, utilizing the HydroVac Truck and Operator would continue without impacting the approved annual capital and operating programs, and providing the opportunity to extend the current contract and pricing.

Under Alternative 2, not approving the contract extension would require a new tender for HydroVac Truck and Operator services, or consideration of alternative construction methods, which would impact services and budgets for annual capital and operating programs.

### **CONCLUSION**

As the current contract for HydroVac Truck and Operator includes an extension clause for three one-year term extensions, and as the CRD is satisfied with the current services, it is recommended that the Commission approve a one-year extension. For the extension to be exercised, all terms and conditions of the original contract must remain unchanged.

### **RECOMMENDATION**

That the Juan de Fuca Water Distribution Commission approve the extension of the award of the contract for the supply of HydroVac Truck and Operator services to MacRae's Ltd. for one year, effective April 1, 2014, based on the hourly/daily rates as submitted in the 2013 tender, not including taxes.

---

Todd Scaber  
Manager, Water System Operations  
Infrastructure Operations

---

Ted Robbins, BSc, CTech  
General Manager, Integrated Water Services  
Concurrence

---

Peter Sparanese, PEng  
Senior Manager, Infrastructure Operations  
Concurrence

TS:mm