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Agenda Item #7  
REPORT #RWSC 2008 - 13

**REPORT TO REGIONAL WATER SUPPLY COMMISSION  
MEETING OF WEDNESDAY, 18 JUNE 2008**

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SUBJECT SOOKE SUPPLY MAIN, PHASE 3 – AWARD OF CONSTRUCTION CONTRACT

PURPOSE

To recommend award of the contract for construction of Phase 3 of the new supply main to Sooke.

BACKGROUND

Construction of the new supply pipeline to Sooke was divided into three phases for ease of construction. Phase 1 was awarded to Aggressive Excavating Ltd. on November 21, 2007 at a price of \$3,089,038.20 (including GST), and Phase 2 was awarded to Scansa Construction on February 20, 2008 at a price of \$4,615,986.50 (including GST).

Tenders for Phase 3 of the pipeline project closed on May 16, 2008. A total of 8 tenders were received and reviewed by the engineering consultant, Associated Engineering Ltd. (see attached letter from Associated Engineering dated June 10, 2008). Staff and the consultant recommend that Phase 3 be awarded to the low bidder, C-1 Contractors, at a price of \$4,142,617.50 (including GST).

The low bidder, C-1 Contractors, is known to both staff and the engineering consultant and has performed similar projects in a satisfactory manner in the past. This contractor has, in the past, required an increased level of inspection effort and this could lead to extra engineering costs.

Given the environmental sensitivity in some sections of Phase 3 along the Galloping Goose Trail and close proximity to the Sooke River, a heightened level of environmental monitoring is also recommended. This will also add to inspection costs.

ALTERNATIVES

1. Award the contract to C-1 Contractors Ltd.
2. Award the contract to one of the other bidders.

FINANCIAL IMPLICATIONS

Alternative 1

Award of the contract to C-1 Contractors Ltd. at a total tender price of \$4,142,617.50 is well within the project budget. The expected increases in engineering inspection costs and environmental monitoring costs are expected to be small in relation to existing consulting budgets.

Alternative 2

Award of the contract to one of the other bidders would increase the project costs.

**Regional Water Supply Commission – 18 June 2008**  
**Re: Sooke Supply Main, Phase 3 – Award of Construction Contract**  
**Page 2**

Phase 3 is the final contract to be awarded in the Sooke Water Supply and Treatment Project. Contract values and engineering costs are summarized as follows:

	<b>CONTRACT AMOUNT</b>	<b>BUDGET</b>
Supply Pipeline		
Engineering	\$ 855,935	
Wolf Creek Bridge Demolition	119,896	
Phase 1 Construction	3,089,038	
Phase 2 Construction	4,615,987	
Phase 3 Construction	<u>4,142,618</u>	
Pipeline Subtotal	\$12,823,474	\$18,406,000
 Treatment Plant		
Engineering	\$ 320,660	
UV Units Pre-Purchase	331,948	
Construction	<u>4,662,000</u>	
Plant Subtotal	\$ 5,314,608	<u>2,856,000</u>
 Project Totals	 <u>\$18,138,082</u>	 <u>\$21,262,000</u>

**RECOMMENDATION**

That the Regional Water Supply Commission award the contract for construction of Phase 3 of the Sooke Supply Main to C-1 Contractors Ltd., at a total tendered price of \$4,142,617.50 (including GST).

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Concurrence