



**REPORT TO REGIONAL WATER SUPPLY COMMISSION
MEETING OF WEDNESDAY, SEPTEMBER 15, 2010**

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

PURPOSE

To recommend the award of a contract to Scansa Construction Ltd. for the Transmission Main No. 2, Phase 2, Replacement Project.

BACKGROUND

The second and final phase of the Transmission Main No. 2 replacement project has been designed and tendered. Both phases of the project will result in the replacement of 2,200 metres of 760 mm diameter pipe that was originally installed in the 1930's. The first phase of the replacement project was constructed last winter and it is proposed to construct the second phase during this coming winter. Phase 2 will see the replacement of the existing 1,200 m section of pipe from a point near the Point Ellice Bridge along Tyee Street, Raynor Avenue and Craigflower Road to the intersection of Burleith Crescent, all within the City of Victoria.

Public tendering of the second phase has been completed and five bids were received by the closing time on August 24, 2010. The bids were reviewed by our engineering consultant and they ranged in price from a low amount of \$2,756,279.02 to \$3,206,570.08. The bids are summarized as follows in ascending order:

Tenderer	Bid amount (including HST)
Scansa Construction Ltd.	\$2,756,279.02
Aggressive Excavating Ltd.	\$2,779,939.79
G&E Equipment Rentals Ltd.	\$2,931,040.00
Rohl Enterprises Ltd.	\$3,187,424.80
Jacob Bros. Construction Ltd.	\$3,206,570.08

The lowest eligible tender was submitted by Scansa Construction Ltd. of Victoria. Scansa 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. Scansa has completed projects for the CRD, including a phase of the Main No. 15 project at Sooke.

ALTERNATIVES

1. Award the contract to Scansa Construction Ltd.
2. Award the contract to another Tenderer.

FINANCIAL IMPLICATIONS

Alternative 1 – Award the contract to Scansa Construction Ltd. for \$2,756,279.02, which is within the budget amount for this 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.

CONCLUSION


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

RECOMMENDATION


That the Regional Water Supply Commission award the construction contract for the Transmission Main No. 2 Replacement, Phase 2, Project to Scansa Construction Ltd. in the amount of \$2,756,279.02 (including HST).



Scott Mason, B.Sc., P.Eng.
Manager, Regional Infrastructure
Integrated Water Services



J.A. (Jack) Hull, MBA, P.Eng.
General Manager, Integrated Water Services
Concurrence



Tim Tanton, P.Eng.
Senior Manager, Engineering and Planning
Integrated Water Services